

Idaho Economic Forecast

DIRK KEMPTHORNE, Governor

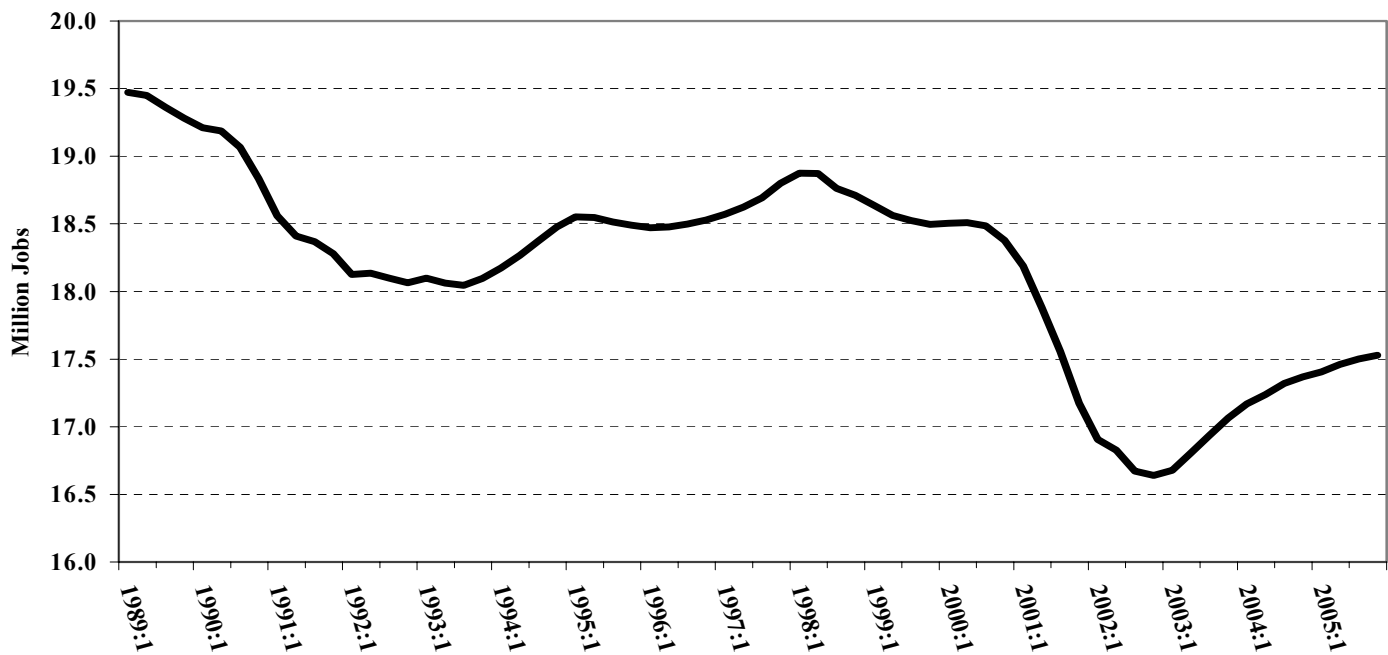
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- Forecast 2001-2005
- The Changing Budget Picture
- Alternative Forecasts

U.S. Manufacturing Employment



Source: DRI*WEFA

**IDAHO
ECONOMIC
FORECAST
2001 - 2005**

State of Idaho
DIRK KEMPTHORNE
Governor

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PREFACE

Idaho's economy continues to grow and evolve as it enters the 21st Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho. These challenges include competition among agriculture, fisheries, and expanding population, for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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INTRODUCTION

The national forecast presented in this publication is the March 2002 DRI*WEFA baseline forecast of the U.S. economy. The January 2002 *Idaho Economic Forecast* is based on the November 2001 DRI*WEFA baseline national forecast.

The mildness of the recent slowdown has left many questioning whether the U.S. suffered a recession. While there may be some ambiguity concerning the state of the aggregate economy, the U.S. manufacturing sector is clearly in a slump. A confluence of negative factors has caused this sector to shed jobs over the last few years. It is also expected to take longer to recover than other sectors of the economy. The cover graph illustrates the recent history and near-term outlook for U.S. manufacturing employment.

FEATURE

Although large changes in the federal budget outlook from year to year are not uncommon, the magnitude of the change for 2002 is unusually large. In January 2001, the Congressional Budget Office (CBO) reported that the federal government was projected to run a \$313 billion surplus in 2002. Now, just a little over a year later, the CBO's latest reports indicate a major deterioration in the budget projections. In its February 2002 report, the CBO projected a deficit of \$21 billion in 2002; in a revision released in March 2002, to account for the release of President Bush's federal budget for 2002–2003, the CBO projected a small surplus in 2002 under its baseline scenario and a \$90 billion deficit under the President's proposals. Finally, when the economic stimulus bill passed Congress, the CBO again revised its baseline projection for 2002 to show a \$46 billion deficit. This article examines the change in the budget outlook and discusses the causes of the revisions in the projections. This article was written by Carl E. Walsh. He is a Visiting Scholar at the Federal Reserve Bank of San Francisco.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. DRI*WEFA examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1986 to 2005 and for every quarter from 1999 through 2004. The solution of the Idaho Economic Model (IEM) for this forecast begins with the fourth quarter of 2001.

Descriptions of the DRI*WEFA U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

CHANGES

The employment data that appear in this publication are based on monthly estimates provided by the Idaho Department of Labor. It has finalized employment numbers for the first nine months of 2001 and provided preliminary estimates for the remaining three months of the year. All of these data have been seasonally adjusted and converted into quarterly estimates by the Division of Financial Management (DFM). These current data show that Idaho nonfarm employment in the third quarter of 2002 was virtually the same as had been forecast in January 2002.

The tables in this forecast include the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) estimates of Idaho quarterly personal income through the third quarter of 2001. In addition to the 2001 third quarter income estimates, the historical Idaho quarterly income estimates for each of the first two quarters of 2001 were revised. This revision is traditionally done at this time. However, the results were not routine. Most notably, the wage and salary component of Idaho personal income was increased about 2.0% in the second quarter of last year. This also raised the state's average annual wage. These increases result in higher wage and salary payments and average annual wage forecasts. The BEA will release its next round of Idaho personal income estimates in late April 2002.

Last November, the Federal Reserve revised its U.S. industrial production indices. Many of these indices are used in the Idaho Economic Model (IEM) to drive employment forecasts for the state's basic industries. In order to incorporate the production data into the IEM, DFM re-estimated all of the stochastic equations of the IEM. A detailed list of the revised stochastic equations and the identities in the IEM can be found in the Appendix of this publication.

The *Idaho Economic Forecast* is available on the Internet at http://www.state.id.us/dfm/econ_pub.html. Readers with any questions should contact Derek Santos at (208) 334-3900 or at dsantos@dfm.state.id.us.

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EXECUTIVE SUMMARY

The outlook for Idaho's economy has improved since the last *Forecast* was published in January 2002. While this news is welcome, it should be noted that the improvements must be compared to the previously anticipated levels of local economic activity. In the previous forecast Idaho nonfarm employment was projected to grow an anemic 0.5% this year and 1.9% next year. In the current forecast, Idaho nonfarm employment is forecast to rise 0.7% this year and 1.7% next year. The real personal income estimates show a similar pattern. Idaho real personal income is forecast to increase 3.5% this year compared to the 2.2% growth that was previously anticipated. However, Idaho real personal income should also rise 3.5% next year. This is slower than the 3.9% growth forecast last January. Idaho real personal income should advance 3.4% in 2004 and 3.2% in 2005. This is down just slightly from the prior forecast of 3.4% in 2004 and 3.5% in 2005. The Idaho economy is positioning itself for stronger growth down the road. However, a return to the growth rates enjoyed in the 1990s is not likely. But one tradition from the last decade is expected to spill over into this decade. Idaho is still expected to experience stronger economic growth than the nation as a whole over the next few years.

Oddly enough economists seem to be more in agreement about where the U.S. economy is headed than where it has been. Almost everyone agrees the economy is on the mend and growth will accelerate in the near future. Another thing most economists seem to agree on is the prospects for the economy have brightened in recent months. The current DRI*WEFA forecast serves as a good example. As mentioned above, real GDP is expected to have fallen in just the third quarter of last year and real GDP contracted 0.3%. In contrast, last November, DRI*WEFA had projected real GDP would shrink for three consecutive quarters and output would drop 1.0% from peak to drop. But those expecting a traditional recovery may be disappointed. During a typical recession, spending is put off until the economy improves. In a typical recession, spending goes strongly as pent up demand is satisfied. This contributes to the real GDP spike. But the current recession was not typical. Consumer spending never collapsed, and in fact it helped keep the economy afloat. At the end of this recession, there is little pent up demand to be met. And some of this demand has been satisfied from inventories, which does not count toward current production. After growing 1.6% this year, real GDP is expected to advance 3.8% in both 2003 and 2004, and 3.0% in 2005. Despite this improvement in real GDP, DRI-WEFA has not changed its national employment forecast significantly. Both forecasts agree the manufacturing sector has been hard hit and will take longer than the overall economy to recover. This reflects the collapse in business fixed investment that has hit the manufacturing sector especially hard. This sector should begin adding jobs again in 2003 and continue expanding over the forecast horizon.

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

APRIL 2002

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GDP (BILLIONS)										
Current \$	7,813	8,318	8,782	9,269	9,873	10,206	10,536	11,181	11,868	12,508
% Ch	5.6%	6.5%	5.6%	5.5%	6.5%	3.4%	3.2%	6.1%	6.1%	5.4%
1996 Chain-Weighted	7,813	8,159	8,509	8,857	9,224	9,332	9,484	9,849	10,219	10,525
% Ch	3.6%	4.4%	4.3%	4.1%	4.1%	1.2%	1.6%	3.8%	3.8%	3.0%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	24,174	25,227	27,079	28,572	30,759	32,435	33,984	35,998	38,136	40,314
% Ch	5.7%	4.4%	7.3%	5.5%	7.7%	5.4%	4.8%	5.9%	5.9%	5.4%
Idaho Nonfarm (Millions)	23,298	24,557	26,163	27,577	29,797	31,345	32,869	34,834	36,995	39,197
% Ch	5.6%	5.4%	6.5%	5.4%	8.1%	5.2%	4.9%	6.0%	6.2%	6.0%
U.S. (Billions)	6,547	6,937	7,426	7,777	8,319	8,724	9,001	9,500	10,057	10,565
% Ch	5.6%	6.0%	7.0%	4.7%	7.0%	4.9%	3.2%	5.5%	5.9%	5.1%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	24,172	24,745	26,281	27,282	28,605	29,615	30,646	31,712	32,792	33,837
% Ch	3.5%	2.4%	6.2%	3.8%	4.9%	3.5%	3.5%	3.5%	3.4%	3.2%
Idaho Nonfarm (Millions)	23,297	24,088	25,392	26,331	27,711	28,620	29,641	30,685	31,810	32,899
% Ch	3.3%	3.4%	5.4%	3.7%	5.2%	3.3%	3.6%	3.5%	3.7%	3.4%
U.S. (Billions)	6,547	6,805	7,208	7,427	7,737	7,966	8,117	8,368	8,648	8,868
% Ch	3.4%	3.9%	5.9%	3.0%	4.2%	3.0%	1.9%	3.1%	3.3%	2.5%
HOUSING STARTS										
Idaho	9,221	8,862	10,112	10,337	11,528	12,179	10,685	10,168	10,019	9,968
% Ch	-1.5%	-3.9%	14.1%	2.2%	11.5%	5.6%	-12.3%	-4.8%	-1.5%	-0.5%
U.S. (Millions)	1,469	1,475	1,621	1,647	1,575	1,606	1,575	1,545	1,626	1,644
% Ch	7.9%	0.4%	9.9%	1.6%	-4.4%	2.0%	-1.9%	-1.9%	5.3%	1.1%
TOTAL NONFARM EMPLOYMENT										
Idaho (Thousands)	492.6	508.7	521.5	539.1	559.2	569.1	573.0	582.6	595.1	607.1
% Ch	3.2%	3.3%	2.5%	3.4%	3.7%	1.8%	0.7%	1.7%	2.1%	2.0%
U.S. (Millions)	119.6	122.7	125.8	128.9	131.8	132.2	131.7	133.7	136.6	138.7
% Ch	2.0%	2.6%	2.6%	2.4%	2.2%	0.4%	-0.4%	1.5%	2.2%	1.6%
SELECTED INTEREST RATES										
Federal Funds	5.3%	5.5%	5.4%	5.0%	6.2%	3.9%	2.0%	4.0%	5.0%	5.0%
Bank Prime	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%	5.0%	7.0%	8.0%	8.0%
Existing Home Mortgage	7.7%	7.7%	7.1%	7.3%	8.0%	7.0%	7.3%	7.5%	7.6%	7.4%
INFLATION										
GDP Price Deflator	1.9%	1.9%	1.2%	1.4%	2.3%	2.2%	1.5%	2.2%	2.3%	2.3%
Personal Cons Deflator	2.1%	1.9%	1.1%	1.6%	2.7%	1.9%	1.2%	2.4%	2.5%	2.4%
Consumer Price Index	2.9%	2.3%	1.5%	2.2%	3.4%	2.8%	1.8%	2.6%	2.6%	2.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

APRIL 2002

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP (BILLIONS)												
Current \$	10,346	10,476	10,574	10,747	10,937	11,103	11,260	11,424	11,624	11,793	11,950	12,106
% Ch	3.7%	5.1%	3.8%	6.7%	7.3%	6.2%	5.8%	6.0%	7.2%	6.0%	5.4%	5.4%
1996 Chain-Weighted	9,376	9,446	9,505	9,609	9,712	9,810	9,891	9,983	10,098	10,186	10,258	10,334
% Ch	1.5%	3.0%	2.5%	4.5%	4.4%	4.1%	3.4%	3.8%	4.7%	3.6%	2.9%	3.0%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	33,403	33,751	34,179	34,602	35,155	35,732	36,321	36,787	37,309	37,870	38,457	38,908
% Ch	6.0%	4.2%	5.2%	5.0%	6.5%	6.7%	6.8%	5.2%	5.8%	6.2%	6.3%	4.8%
Idaho Nonfarm (Millions)	32,288	32,635	33,064	33,487	34,023	34,561	35,111	35,639	36,235	36,738	37,253	37,752
% Ch	6.0%	4.4%	5.4%	5.2%	6.6%	6.5%	6.5%	6.2%	6.9%	5.7%	5.7%	5.5%
U.S. (Billions)	8,860	8,948	9,046	9,151	9,296	9,433	9,570	9,700	9,861	9,997	10,126	10,246
% Ch	4.2%	4.0%	4.5%	4.7%	6.5%	6.0%	5.9%	5.6%	6.8%	5.7%	5.3%	4.8%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	30,346	30,516	30,774	30,949	31,238	31,581	31,904	32,124	32,388	32,672	32,962	33,144
% Ch	4.6%	2.3%	3.4%	2.3%	3.8%	4.5%	4.2%	2.8%	3.3%	3.5%	3.6%	2.2%
Idaho Nonfarm (Millions)	29,333	29,508	29,770	29,952	30,232	30,546	30,841	31,122	31,456	31,695	31,930	32,159
% Ch	4.7%	2.4%	3.6%	2.5%	3.8%	4.2%	3.9%	3.7%	4.4%	3.1%	3.0%	2.9%
U.S. (Billions)	8,049	8,091	8,145	8,185	8,260	8,337	8,406	8,470	8,560	8,625	8,679	8,728
% Ch	2.9%	2.1%	2.7%	2.0%	3.7%	3.8%	3.4%	3.1%	4.3%	3.1%	2.5%	2.3%
HOUSING STARTS												
Idaho	10,833	10,853	10,638	10,418	10,311	10,170	10,109	10,082	10,049	10,039	10,005	9,983
% Ch	-3.5%	0.8%	-7.7%	-8.0%	-4.0%	-5.4%	-2.4%	-1.1%	-1.3%	-0.4%	-1.3%	-0.9%
U.S. (Millions)	1.613	1.558	1.571	1.559	1.545	1.540	1.538	1.556	1.589	1.623	1.642	1.650
% Ch	11.1%	-13.0%	3.4%	-2.9%	-3.7%	-1.3%	-0.6%	4.9%	8.8%	8.7%	4.7%	1.9%
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	570.7	571.6	573.8	575.7	578.0	580.7	584.2	587.6	590.8	593.8	596.6	599.1
% Ch	1.1%	0.6%	1.5%	1.4%	1.6%	1.9%	2.4%	2.3%	2.2%	2.0%	1.9%	1.7%
U.S. (Millions)	131.3	131.5	131.8	132.3	132.8	133.4	134.0	134.8	135.6	136.4	137.0	137.5
% Ch	-0.7%	0.6%	1.0%	1.6%	1.4%	1.8%	2.0%	2.2%	2.5%	2.2%	1.8%	1.6%
SELECTED INTEREST RATES												
Federal Funds	1.8%	1.7%	2.1%	2.6%	3.0%	3.7%	4.5%	4.8%	5.0%	5.0%	5.0%	5.0%
Bank Prime	4.8%	4.7%	5.1%	5.6%	6.0%	6.7%	7.5%	7.8%	8.0%	8.0%	8.0%	8.0%
Existing Home Mortgage	7.5%	7.1%	7.2%	7.3%	7.4%	7.4%	7.6%	7.6%	7.6%	7.6%	7.5%	7.5%
INFLATION												
GDP Price Deflator	1.9%	2.0%	1.3%	2.1%	2.8%	2.1%	2.3%	2.1%	2.4%	2.3%	2.5%	2.3%
Personal Cons Deflator	1.3%	1.9%	1.7%	2.7%	2.7%	2.2%	2.5%	2.4%	2.4%	2.5%	2.6%	2.5%
Consumer Price Index	2.6%	2.4%	2.2%	2.9%	2.8%	2.3%	2.6%	2.5%	2.6%	2.7%	2.9%	2.7%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Fourth Quarter of 2001 through the Fourth Quarter of 2005

Economist can learn a lot from baseball players. One of the best-known sayings by the major league's greatest philosopher, Yogi Berra, is "It ain't over--till its's over." Interestingly, Mr. Berra's timeless wisdom is appropriate to both the baseball diamond and the current economic situation. Late last year the National Bureau of Economic Research (NBER) declared the nation's record decade-long economic expansion ended in March 2001. However, at no time since then has real GDP contracted for two consecutive quarters, which is the economists' rule-of-thumb definition of a recession. As a result, some economists sound more like followers of the former Yankee catcher than their esteemed colleagues at NBER. That is, the economic expansion never ended, but suffered a temporary setback.

If a recession did occur, it was the mildest on record. Assuming the recession started in the second quarter of 2001 and ended in the third quarter, the recession was just two quarters long. This is about half as long as the average recession lasted after World War II. The 0.3% output decline was almost negligible compared to the average contraction of 3.3%. Some may classify the recent slowdown as the second soft landing by the Federal Reserve. Others are fence sitters who have yet to classify our recent economic experience. Fortunately for them, Mr. Berra has another piece of advice. "When you come to a fork in the road—take it."

Oddly enough economists seem to be more in agreement about where the economy is headed than where it has been. Almost everyone agrees the economy is on the mend and growth will accelerate in the near future. Another thing most economists seem to agree on is the prospects for the economy have brightened in recent months. The current DRI*WEFA forecast serves as a good example. As mentioned above, real GDP is expected to have fallen in just the third quarter of last year and real GDP contracted 0.3%. In contrast, last November, DRI*WEFA had projected real GDP would shrink for three consecutive quarters and output would drop 1.0% from peak to drop.

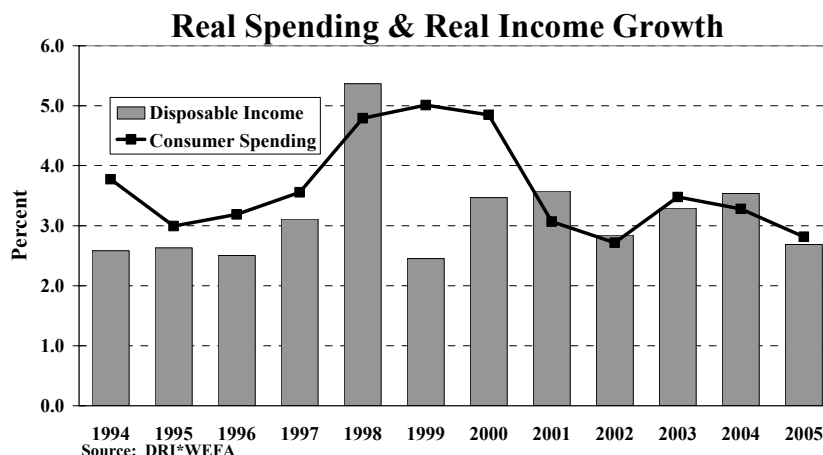
Another way this recession breaks tradition is real GDP is not expected to experience the sharp growth spurt that is typical during the recovery. During a typical recession, spending is put off until the economy improves. In a typical recession, spending goes strongly as pent up demand is satisfied. This contributes to the real GDP spike. But the current recession was not typical. Consumer spending never collapsed, and in fact it helped keep the economy afloat. At the end of this recession, there is little pent up demand to be met. And some of this demand has been satisfied from inventories, which does not count toward current production. After growing 1.6% this year, real GDP is expected to advance 3.8% in both 2003 and 2004, and 3.0% in 2005.

Despite this improvement in real GDP, DRI*WEFA has not changed its national employment forecast significantly. Both forecast show the economy shedding about 1 million jobs from the middle of last year to the middle of this year. Both forecasts agree the manufacturing sector has been hard hit and will take longer than the overall economy to recover. This reflects the collapse in business fixed investment that has hit the manufacturing sector especially hard. This sector should begin adding jobs again in 2003 and continue expanding over the forecast horizon.

SELECTED NATIONAL ECONOMIC INDICATORS

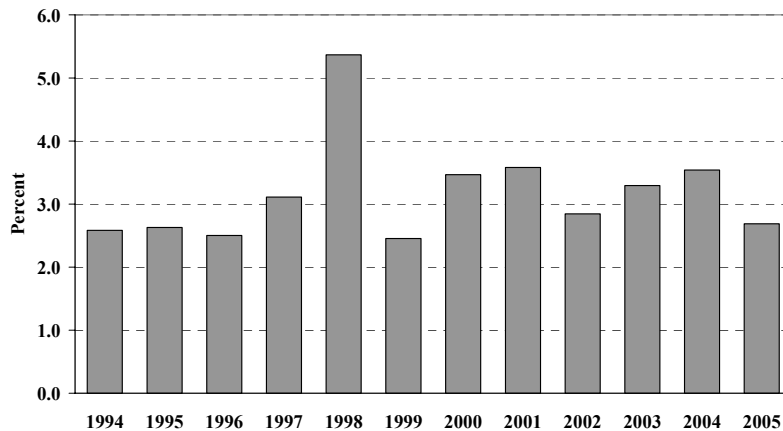
Consumer Spending: Real consumer spending continued to expand during the recession, which helped make the current economic downturn the mildest on record. Interestingly, this also means there is no pent up demand waiting to be unleashed, so the economic recovery should be milder than usual. This can be seen by comparing the 1990-91 recession to the 2001-02 recession. The earlier

recession clearly hit the consumer sector very hard. Real consumer spending dropped 1.3% over the course of the recession, which was virtually the same amount real GDP declined. As a result of consumers' thrift, the savings rate rose and outstanding credit fell. Under these conditions, real consumer spending was ripe for a strong recovery. This did, in fact, occur. Real consumer spending leaped over 6.0% in 1991's first quarter as consumers raced to make purchases that had been postponed during the recession. Thus, after declining 0.2% in 1991, real consumer spending increased almost 3.0% in 1992. In contrast, real consumer spending slowed, but never retreated during the 2001-02 recession. It hit its nadir in the first quarter of 2002 when it grew just 0.8%. (Part of this slowdown reflects a return to a more sustainable pace after the strong 6.0% annual growth in the last quarter of 2001.) Interestingly, this blip barely shows up in the annual data. Specifically, real consumer spending is estimated to have grown 3.1% in 2001 and is forecast to increase 2.7% in 2002. It is amazing that Americans never lost faith in the economy despite suffering major blows on several fronts. The most notable, of course, was the September 11, 2001 terrorists' attack. The severity of the attack has overshadowed other setbacks Americans recently suffered. The stock market correction reduced the net worth of American households over the last two years. This is significant because many economists believe there is a link between increased wealth and increased spending. Thus, a reduction in wealth would cause a reduction in spending. There may also be another connection between wealth and spending. Some feel rising household wealth made consumers feel the stock market was doing their saving for them. As such, consumers were willing to spend more of their income and save less. This helps explain the huge drop in the U.S. personal saving rate in recent years. With the recent reversal of fortune, it was feared Americans would spend less and save more of their income. This has not happened, at least so far. One of the reasons for this is household wealth is falling from record levels, so Americans may still feel rich, even though they are not as wealthy as they were a few years ago. These factors may have caused confidence to wane, but not collapse. In fact, consumers were upbeat enough to take advantage of price discounts and financing incentives for purchasing new vehicles, computers, home furnishings, clothing, and services. Without the boost from pent up demand, real consumer spending growth over the forecast period will likely mirror disposable personal income growth. Specifically, real disposable income is forecast to rise 2.8% in 2002, 3.3% in 2003, 3.5% in 2004, and 2.7% in 2005. Real consumer spending is expected to increase 2.7% in 2002, 3.5% in 2003, 3.3% in 2004, and 2.8% in 2005.



Inflation: Economy watchers will have one less thing to worry about over the next few years. Inflation, a potential bane to an expanding economy, should be benign. There are several reasons for this outlook. First, the recession was very mild by historical standards, so its recovery will likely be mild. Thus, it is unlikely to result in excessive demand pressures that will reignite inflation. The second

Consumer Price Inflation

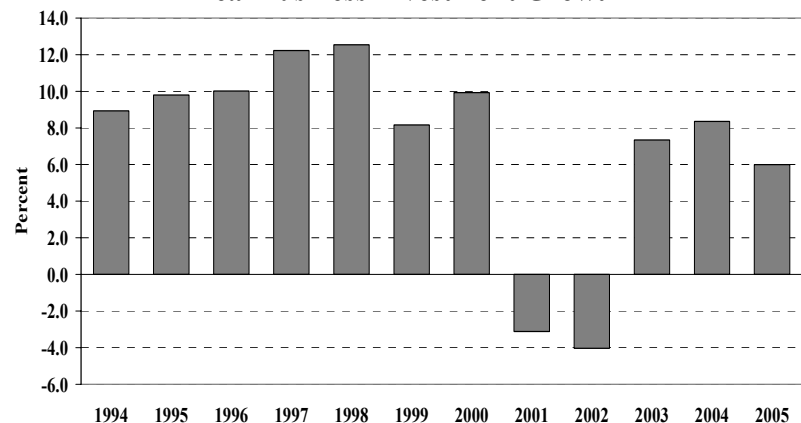


Source: DRI*WEFA

shocks. Fourth, poor profits will also keep inflation in check. To boost their long-suffering bottom lines, businesses will have to control costs. One way for them to do this is to be conservative with employee compensation. Because employee compensation plays such an important role in driving prices, this implies modest increases over the forecast period. Core inflation (inflation less energy and food) should advance just under 3.0% per year. Total inflation is projected to swing above and below the core rate, thanks to notoriously volatile food and energy prices. Energy prices have had the most press attention in recent months. Thanks to subdued demand caused by the mildest winter in history and the soft world economy, the price of oil dropped from nearly \$24/barrel in the third quarter of 2001 to just over \$18/barrel in that year's fourth quarter. At the end of March 2002, the price of oil climbed above \$26/barrel, on fears of disrupted supplies from the Middle East caused by escalating hostilities in the region. Interestingly, this price is well within the range of \$20/barrel to \$30/barrel inflation-adjusted prices that have prevailed since 1986. It is lower than the \$34/barrel price from the winter of 2000-01, and two-thirds lower than the \$75/barrel price during the second oil embargo. A spike of that magnitude would push the economy into a recession, but it is not expected. Consumer prices are forecast to rise 1.8% in 2002 and just over 2.5% annually through 2005.

Business Investment: The strength of the economic recovery will be largely determined by how well real business fixed investment rebounds from its recent collapse. A bit of history is warranted here because of this sector's important role in the recovery. Business investment had been the major engine of economic growth during the nation's longest economic expansion. From 1992 to 2000, real business investment rose an average of 10.0% per year. In comparison, real GDP growth averaged 3.7% over the same period. Investment's strong showing during this time can be traced

Real Business Investment Growth

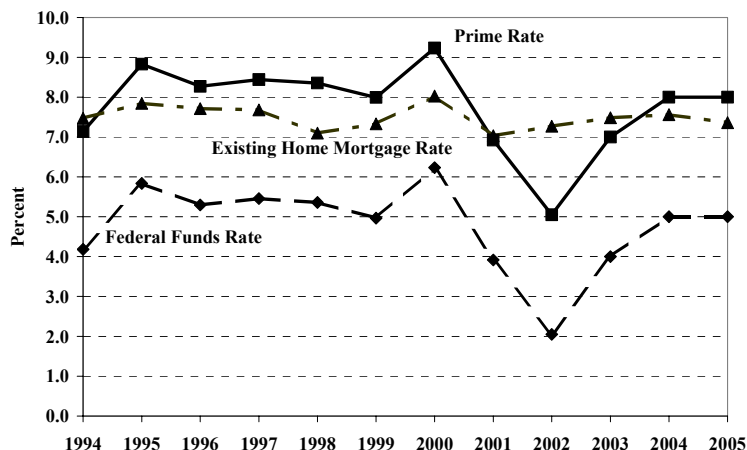


Source: DRI*WEFA

to several factors. Spending on computers and software fueled investment in the early 1990s. Growth accelerated in the mid-1990s with the widespread use of the World Wide Web and the Telecommunications Act of 1996. Another push came when Y2K fears caused companies to upgrade their hardware and software systems. Finally, the dot-com boom fueled further growth. Ironically, it

was the dot-com collapse that caused real business investment to shrink in 2001 for the first time since the 1990-91 recession. Leading the retreat was investment in telecommunications equipment, which declined an estimated 19.6% in 2001. Unfortunately, this sector's woes continue to pile up. Global Crossing is the most recent, notable disaster. In a short time it fell from industry darling to dud when it declared bankruptcy in January 2002. Computer investment declined just 0.7% last year. This is small compared to the plunge in telecommunication equipment spending. However, it is significant because it marks just the second time real investment in computers has declined since this data has been tracked (1967). The other time it declined was in 1990. Computer investment should rebound by nearly 13.0% this year. Unfortunately, this will not be enough to overcome the drag of other business investment sectors. As a result, total real business investment is expected to contract again this year. One of the main reasons for this disappointing outlook is the U.S. and the rest of the world is awash in excess manufacturing capacity. Economists consider manufacturing utilization of 85% to be full capacity. Currently, manufacturing capacity utilization is at 73%, its lowest level since 1983. Companies have little incentive to invest in new equipment when the equipment they already have sits idle. One wild card is the impact the new tax relief bill will have on investment. This bill is designed to boost investment by allowing generous "bonus" depreciation for equipment. It should be pointed out the current forecast does not include the impacts of this tax bill. Real business investment is forecast to grow again beginning next year, as the growing economy steadily whittles down the excess manufacturing capacity. Specifically, real business fixed investment is project to grow 7.3% in 2003, 8.3% in 2004, and 6.0% in 2005. After two years of decline, the projected growth in investment will be welcomed, but it is not anticipated to be nearly as strong as it was in the 1990s.

Selected Interest Rates

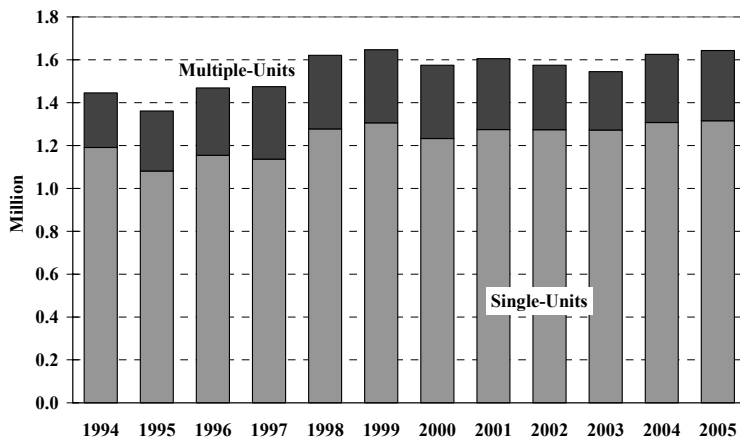


Source: DRI*WEFA

Financial: American monetary policy is in a stage of transition. All of last year the Federal Reserve focused on an accommodating policy that would help the economy skirt a recession. In order to do this, the nation's central bank threw out its traditional gradualist approach and aggressively lowered its bellwether federal funds rate target 11 times from January 2001 to December 2001. Over this period the rate dropped from 6.5% to 1.75. Despite its drastic actions, it appears the Federal Reserve was too close to the deck before it attempted another soft landing. As a result, the economy slipped into a mild

recession. While the rate decreases did not prevent the slowdown, they did help contain the damage and provided stimulus for the recovery. It now appears its day of lowering interest rates are behind it. Instead, the Federal Reserve will take a wait-and-see stance over the next few months to determine the strength over the recovery. The central bank has been afforded the luxury of time because inflation is not a current threat. Thus, the Federal Reserve finds itself in the rare position of not walking the razor's edge between inflation and the economy. The central bank passed on its latest opportunities to change rates during its January and March 2002 meetings. In the statements following those meetings, the Federal Open Market Committee clearly felt the economy was on the mend and further loosening was unnecessary. Interestingly, the lack of inflation also makes tightening unnecessary at this time. When it is convinced the recovery is on solid ground, it is expected to start raising rates gradually again. The current forecast assumes first round of tightening will begin later this year.

U.S. Housing Starts



Source: DRI*WEFA

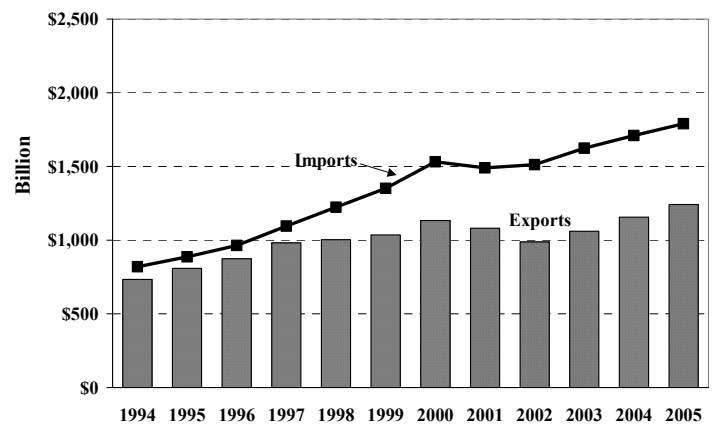
the drop in starts that year was a relatively small 4.4%. Growth resumed in 2001, however, as mortgage interest rates retreated. This is an interesting exception to typical housing behavior in a recession year. Usually, housing starts are one of the first victims of a faltering economy. A closer look shows that maybe housing's performance last year was not atypical. When the data is viewed on a quarterly basis, one sees all housing's strength occurred during the first quarter of 2001. This growth was so strong it actually masked the housing declines in the remaining quarters of the year. Surprisingly, housing starts jumped in the first quarter of this year. But this probably has more to do with the mild winter weather than economic factors. Housing starts follow relatively predictable seasonal patterns. Typically, as winter moves in, housing starts drop. To adjust for this, factors are developed and used to adjust the raw data to compensate for seasonal patterns. This is done so any remaining changes are mainly due to economic factors. The seasonal factor for housing achieves this by boosting the winter raw housing start data. But this winter has not been typical; it was the mildest on record. As a result, the decline in the raw data that usually took place did not occur. However, the raw data was increased by the seasonal factor, which is why housing starts were so strong in the first quarter of this year. Had the winter been more typical, U.S. housing starts would have been lower. The current forecast shows U.S. housing starts falling 1.9% both this year and next, then rising 5.3% in 2004, and 1.1% in 2005.

International: Many countries should stir from their respective economic slumbers in 2002. The global economy did expand last year, but just slightly. In fact, 2001's 1.5% increase in real GDP would be considered a recession by most international economists. Global GDP is forecast to rise 1.7% this year. While this is still relatively weak, it does show the economy is starting to heat up. This is the result of strengthening in all regions, except South America. The Canadian economy grew marginally faster than the U.S. economy in 2001 and avoided a recession. Both the U.S. and Canadian economies are expected to pick up speed

this year, but the growth gap between the two should widen. There are a couple of reasons the Canadian economy outperformed its U.S. counterpart last year and is expected to be stronger this year. First, the Canadian economy is less dependent on the high-tech sector than the U.S. As a result, it was

Housing: National housing starts are projected to slip from their recent lofty heights in both 2002 and 2003 before posting a mild rebound. The recent history of housing starts is interesting because its performance often defied logic. The recent string of housing start gains began in 1996. Soon after that economists were convinced that starts had reached a peak and would fall in the following year. But each year was stronger than the preceding one. This pattern continued to 2000, when preemptive policy tightening by the nation's central bank put upward pressure on mortgage interest rates. But

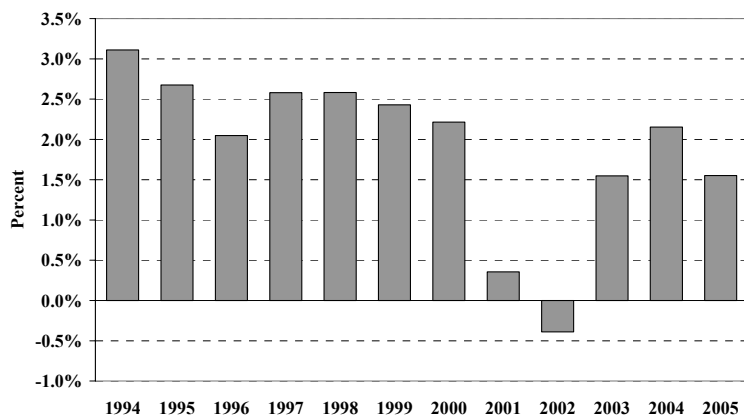
U.S. Imports and Exports



Source: DRI*WEFA

less affected by the global slump in information technology investment. Second, Canada's federal government and several of its provinces enacted tax reductions in early 2001, whereas the U.S. federal tax cuts were introduced later that year. It is anticipated that Mexico will stage one of the biggest turnarounds. The Mexican economy shrank 0.3% last year, but should increase 1.8% this year. Unfortunately, south of Mexico the economic situation is not as promising. After growing a meager 0.6% in 2001, the South American economy is forecast to shrink 0.4% in 2002. The aggregate economy of the four large European countries (France, Italy, Germany, and the United Kingdom) will actually grow slightly slower this year compared to last year (1.4% versus 1.7%), but there have been signs recently that it is on the upswing. If the world's economy has been asleep, then Japan's has been in a coma. And its prognosis is not encouraging. The Japanese economy is expected to shrink another 0.9% this year after contracting 1.2% in 2001. The Japanese government has undertaken policies to combat its chronic recession and results are expected in 2003. Across the rest of Asia, the economic outlook is brighter. Recent increases in exports from these countries bode well for their economies. Middle-income Asia (China, India, Indonesia, Malaysia, Philippine, Thailand, Fiji, Maldives, New Guinea, and Vanuatu) is anticipated to grow 5.5% this year and 6.5% next year. With all of its major regions expanding in 2003, the global economy should grow 3.6%--which is twice as fast as in 2002. Looking beyond next year, real global output should grow an average of 3.3% from 2004 to 2006. Real net exports should continue to be a drag on the U.S. economy. The U.S. real trade deficit should swell from about \$400 billion in 2000 to \$564 billion in 2003. The deficit is expected to shrink beginning in 2004, but progress will be slow. Specifically, the real trade deficit should be about \$530 billion in 2006, which is still much higher than in 2000.

U.S. Nonfarm Employment Growth



Source: DRI*WEFA

Employment: The labor market has quickly changed from one favoring workers to one favoring employers. This marks a significant change from the previous few years. One of the most interesting features of the 1991-2001 expansion was the surge in employment. During this time a couple of major milestones were achieved. First, the U.S. civilian unemployment rate slipped under the rate consistent with full employment in mid-1996 and stayed below through most of 2001. Second, the unemployment rate dropped below 4.0% in the fall of 2000. Under these conditions businesses found themselves

in the rare position of not having enough qualified job applicants. This trend began reversing itself in 2001. The job market steadily loosened that year, as evidenced by the unemployment rate that climbed from 4.2% in January 2001 to 5.8% by December 2001. It is interesting to see which sectors have been losing jobs. Manufacturing employment has been particularly hard hit; it shrank 4.2% in 2001. But it is not the only sector whose employment has suffered. Employees of help supply services (or temps) have also been hit hard by the recession. At their peak in 2000, temps accounted for fewer than 3.0% of total employment, but they have experienced disproportionate share of job losses. The size of these losses depends on how they are calculated. This sector accounted for a third of the jobs lost during the recession. On the other hand, when calculated from its September 2000 peak to its January 2002 trough, this sector's losses account for nearly half of the total jobs lost in the U.S. This number is higher because this sector began shedding jobs before the rest of the economy. After shrinking in both 2001 and 2002, total U.S. nonfarm employment is expected to rebound. Specifically, it is forecast to fall 0.4% this year, but rise 1.5% next year, 2.2% in 2004, and 1.6% in 2005.

IDAHO FORECAST DESCRIPTION

The Forecast Period is the Fourth Quarter of 2001 through the Fourth Quarter of 2005

The outlook for Idaho's economy has improved since the last *Forecast* was published in January 2002. While this news is welcome, it should be noted that the improvements must be compared to the previously anticipated levels of local economic activity. In the previous forecast Idaho nonfarm employment was projected to grow an anemic 0.5% this year and 1.9% next year. In the current forecast, Idaho nonfarm employment is forecast to rise 0.7% this year and 1.7% next year. The real personal income estimates show a similar pattern. Idaho real personal income is forecast to increase 3.5% this year compared to the 2.2% growth that was previously anticipated. However, Idaho real personal income also should rise 3.5% next year. This is slower than the 3.9% growth forecast last January.

The improvement to Idaho 2002 nonfarm employment growth can be traced to the revised historical data for that year. A comparison of the revised and past forecast data shows we may have been too pessimistic in the past. In the January 2002 *Idaho Economic Forecast* it was projected Idaho nonfarm employment would shrink at a 0.9% annual rate during the third quarter of 2001 and stall in the last quarter. The historical data now show employment performed better than expected. Employment did drop in the third quarter of last year, but by 0.6%, not the forecasted 0.9%. Preliminary data show employment actually expanded at a 0.4% annual rate in the last quarter. In addition, previous historical data showed Idaho nonfarm employment slipped in the second quarter of 2001, but the revised data now show it actually rose. This is consistent with the stronger-than-expected national economy during that time. Of course, the national economic recovery is expected to be slower, and this helps explain why Idaho nonfarm employment grows a tad slower in 2003 than had been forecast earlier.

The recent history and short-term outlook for Idaho personal income were also affected by data revisions. Based on previous data, DFM projected Idaho nominal personal income would rise 3.7% in 2002. After adjusting for inflation, Idaho personal income was anticipated to grow 2.2%. Idaho nominal personal income is now expected to grow 4.8% this year and Idaho real personal income should increase 3.5%. This increase is mostly due to the large revision to the personal income data for the second quarter of 2001. The U.S. Bureau of Economic Analysis originally reported Idaho nominal personal income was just over \$32 billion in the second quarter of last year. Revised data show this same measure was \$372 million higher. This raised the starting point for the Idaho nominal personal income forecast. A huge adjustment amount (\$353 billion) was in the wage and salary payments component. This change also increased the outlook for the state's average annual wage.

Idaho nonfarm employment is forecast to rise about 2.0% in both 2004 and 2005, which is virtually the same as in the previous forecast. Idaho nominal personal income should average about 5.8% growth in 2004 and 2005. In the previous forecast it was slightly higher, about 6.0%. Idaho real personal income should advance 3.4% in 2004 and 3.2% in 2005. This is down just slightly from the prior forecast of 3.4% in 2004 and 3.5% in 2005.

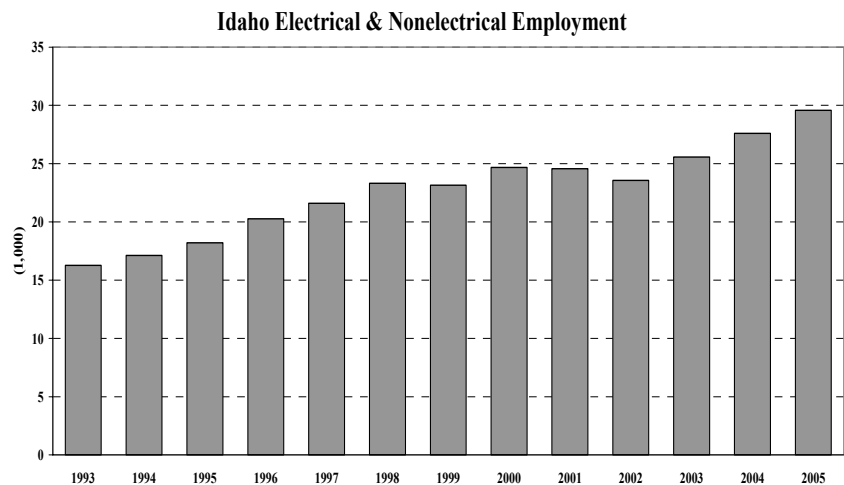
The outlook for the Idaho economy has changed. It seems to be positioning itself for stronger growth down the road. However, a return to the growth rates enjoyed in the 1990s is not likely. But one tradition from the last decade is expected to spill over into this decade. Idaho is still expected to experience stronger economic growth than the nation as a whole over the next few years.

SELECTED IDAHO ECONOMIC INDICATORS

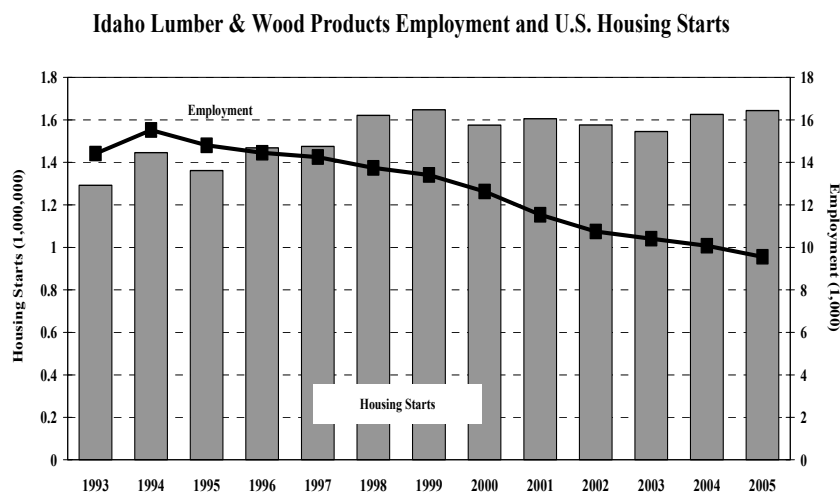
Electrical and Nonelectrical Machinery:

This will be a transition year for Idaho's high-tech sector. Idaho machinery employment is anticipated to grow this year, but not enough to offset the severe losses of 2001. However, this sector's employment should gain more solid footing in 2003. Most of this sector's recent woes reflect the longest downturn ever in the nation's high-tech sector. While some components of the high-tech sector were experiencing setbacks previous to last year, it was the collapse in business fixed investment that sent this sector reeling in 2001. Idaho was

not immune from this setback and its machinery sector shrank last year. The impact of last year's decline was magnified by the size and speed of the investment collapse compared to its performance in the 1990s. During the second half of the 1990s, U.S. real business investment was an engine of economic growth that grew over 10.0% annually. High-tech investment did particularly well during this period. Fueled by the widespread use of the World Wide Web, the Telecommunications Act of 1996, and Y2K, real combined spending on software, computers, and communications equipment advanced over 25.0% per year. In response to this strong demand, the output of office and computer equipment rose nearly 40% per year from 1995 to 2000 and the output of electronic components grew about 50% per year. This reversed drastically last year. In 2001, real spending on equipment and software declined 4.4%. This put the brakes on office and computer equipment output growth, causing it to slow to just 2.3% in 2001. Electronic component production was even harder hit; it actually shrank 4.6% last year. Gem State companies have announced plans to reduce payrolls by nearly 3,000 persons. These layoffs have been spread across several local firms, such as Hewlett-Packard; Jabil Circuit; Micron Electronics; SCP Global Technologies; Extended Systems; MCMS; and Zilog. A notable exception to the list of high-tech companies announcing layoffs has been Micron Technology. The Boise Valley's largest private employer has not cut jobs during the high-tech industry's current downturn. Instead, it took other measures to combat low prices for its products. One measure, a hiring freeze, has had an impact because the company had produced 100 to 200 new jobs per month. The absence of these new jobs has been felt. In 2001, Idaho machinery employment shrank 0.4%. It should be pointed out that while this decline may seem small, most of the impact appears in 2002. A review of the quarterly data shows this sector had about 3,000 less employees at the end of 2001 than at its beginning, which is consistent with the number of layoffs that took place that year. This lowered the employment level at the start of 2002. In addition, this sector's employment is forecast to increase, but not make up the ground lost in 2001. As a result, machinery employment decreases 4.1% from 2001 to 2002. The reason for 2002's soft showing is due to the expected decline in real business investment. This decline can be traced to the current surplus of manufacturing capacity. U.S. companies will be hesitant to invest while over a quarter of their collective capacity sits idle. Real business investment is anticipated to expand beginning in 2003, but a return to late-1990s' growth rates are not likely. This will limit the recovery in Idaho electrical and nonelectrical machinery employment. Specifically, Idaho's electrical and nonelectrical machinery sector employment is forecast to decline 4.1% in 2002.



then grow 8.5% in 2003, 8.0% in 2004, and 7.2% in 2005. There are some signs the employment situation is improving. Most notably, Micron Technology announced in early April 2002 that it was ending its hiring freeze. However, the company has not released estimates of how many employees it plans to add.

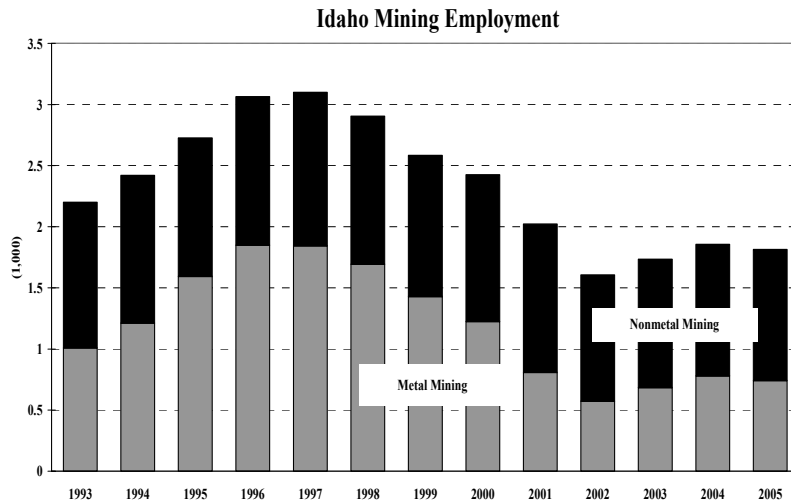


Sources: DRI+WEFA and DFM

Lumber and Wood Products:

The state's lumber and wood sector employment base is forecast to contract over the forecast period. This continues the declining trend that began in 1995. Just over a decade ago, this sector was the state's largest durable manufacturing employer. The runner up was electrical and nonelectrical employment. However, several years of job declines and rapid high-tech employment growth has cost the lumber and wood products sector its job champion title. By 2001,

employment in the lumber and wood products sector was less than half the electrical and nonelectrical machinery sector. It should be noted that mills are often the largest employers in Idaho rural communities, so the impacts of closures are amplified in those locales. But the impact is not limited to loss jobs. Communities with national forests depend on payments in lieu of taxes (PILT) from federal timber sales. In these communities, federal lands are not on property tax rolls. Instead, the communities traditionally receive 25% of the revenue from federal timber sales in their locale. Thus, the declining federal harvests have slowly starved the budgets of rural governments. The Idaho Department of Labor reports PILT to these counties have declined 75% from 1989 to 2000. These communities will get relief in the form of the Craig-Wyden Bill that was passed in 2000. The bill stabilizes timber sales payments by averaging the three highest payments from 1986 to 2000. This sector's problems are not unique to Idaho. The shrinking lumber and wood products sector has been a regional phenomenon. Random Lengths recently reported that there were 337 sawmills, plywood plants, veneer mills, and board mills operating in Oregon, Washington, California, Idaho, and Montana, which was just over half the 663 that were in operation ten years ago. This sector's current slump is the result of the complicated demand/supply relationship facing this industry. The job decline in recent years has been particularly frustrating. National housing starts have flourished over this time, but Idaho lumber and wood product employment has floundered. Specifically, U.S. housing starts have remained near 1.6 million units since 1998. One would expect employment to expand under such strong demand. It has not. In Idaho, lumber and wood product employment fell continuously over the same period. The employment weakness during times of strong demand underscore the rising importance of supply factors in shaping this industry's outlook. Specific examples are not hard to find. The closures of Boise Cascade's Emmett and Cascade plants were blamed on the dwindling supply of federal timber available for harvest in Idaho. Federal records show the amount of timber harvested from federal lands has indeed declined. According to U.S. Department Agriculture, the total amount of timber harvested in Idaho fell from 1.8 million board feet in 1990 to 1.2 billion board feet in 2000, a 31% drop. This data also show that harvests from Idaho national forests fell an astounding 78% over this decade. Idaho lumber and wood products employment is forecast to drop 6.8% in 2002, 3.2% in 2003, 3.2% in 2004, and 5.1% in 2005.

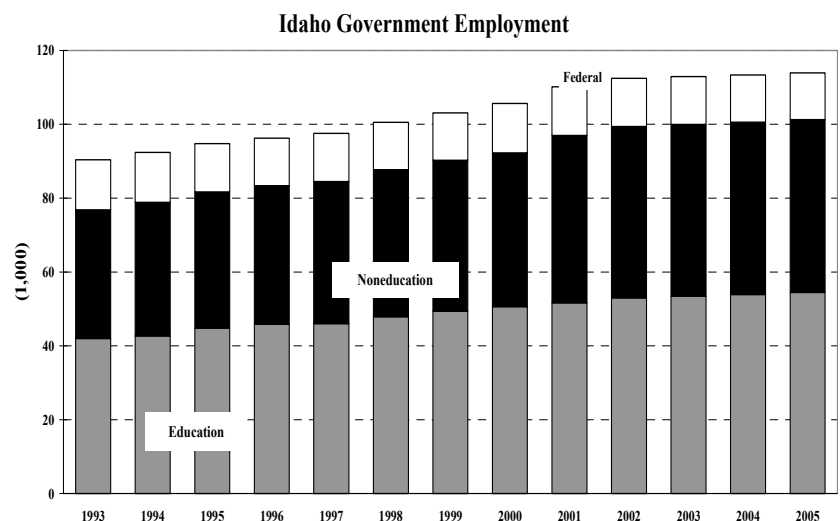


Mining and Chemicals: Like other resource-based sectors, Idaho's mining and chemical industries have struggled recently. Unfortunately, they are not expected to turn around in the near future. The state's mining sector suffered its fourth straight year of employment declines in 2001. After peaking at about 3,100 jobs in 1997 it had just over 2,000 jobs in 2001. Most of the job losses were in the metal mining component, which shed over 1,000 jobs from 1997 to 2001. The state's metal mining

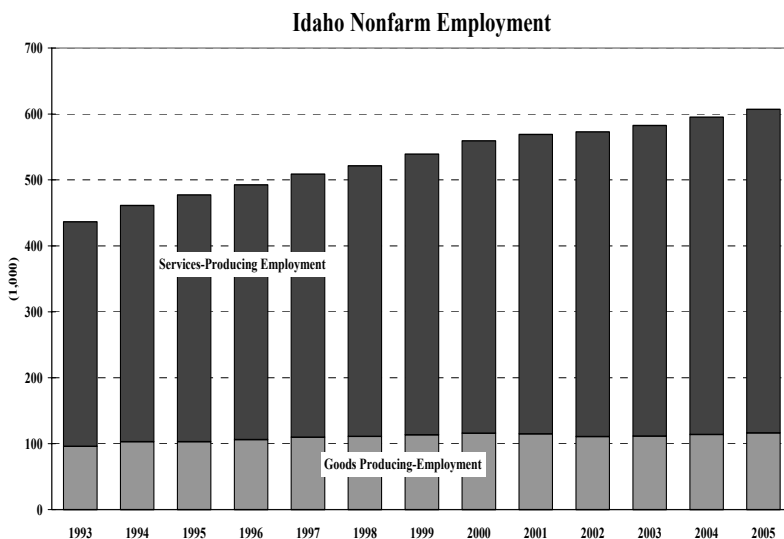
sector received two recent blows. The Sunshine Mine closed because the Asarco Smelter in East Helena was shutdown, leaving Sunshine without a place to send its silver concentrate. The Lucky Friday Mine curtailed operations due to low metal prices. Low silver prices have bedeviled Coeur d'Alene Mines Corporation to the point where it has warned shareholders it may have to seek bankruptcy protection. In contrast, nonmetal mining employment was virtually flat over the same period. Something else that happened over this period is worth noting. Nonmetal mining became a larger employer than metal mining. There were about 1,200 nonmetal mining jobs last year compared to 807 metal mining jobs. Unfortunately, it is unlikely that Idaho's mining sector has experienced its last round of job cuts. This sector's payroll is forecast to shrink another 20.6% in 2002. The state's chemical sector has also fallen on hard times. Most notably, Astaris closed its Pocatello elemental phosphorus plant after more than a half a century of operation. Job cuts had been anticipated even before the October 11, 2001 closure announcement. Last March, the company reported its plan to shut down three of its four production furnaces and was planning to reduce its work force by half (around 200) by June 2002. Unfortunately, Astaris is not the only Gem State chemical manufacturer to suffer setbacks. Kerr-McGee closed its Soda Springs vanadium and phosphate plant due to the low price of vanadium. Idaho chemical employment should drop from 2,347 in 2001 to 1,915 in 2005.

Federal, State, and Local Governments:

All components of government employment in Idaho should slow considerably over the forecast period. Idaho state and local government employment enjoyed a growth spurt in the 1990s. This strong growth was fueled primarily by the state's strong population growth. Idaho's population jumped 28.5% from 1990 to 2000. Most of this increase resulted from the wave of new state residents. Specifically, net migration accounted for two-thirds of the increase in total



population. A major attraction for these new Idahoans was the state's strong economy. Idaho's economy grew steadily in the early 1990s, despite the national recession. At the 1990-91 recession's trough in 1991, U.S. nonfarm employment shrank 1.1%. In some states, such as California, the downturn was even more severe. In contrast, Idaho nonfarm employment actually increased a healthy 3.3% in 1991. To many, Idaho was an alluring oasis in an economic desert. But Idaho's attractiveness created new challenges. The combination of the 1980's slow growth and the 1990's rapid rise in population strained the state's infrastructure. In an effort to keep up, Idaho state and local government employment advanced over 3.5% annually during the first half of the 1990s. Even at this pace, Idaho governments were hard pressed to keep up with rapidly expanding needs. It is anticipated that population growth will taper off during the forecast period. This should give Idaho state and local governments the opportunity to catch up with infrastructure needs. As these needs are met, Idaho state and local employment growth is expected to slow. But this not the only factor that will keep Idaho state and local government employment in check over the next few years. Local government budget caps will also limit employment growth. In addition, the current tight state budget environment will keep a lid on job growth. As a result, Idaho state and local government payrolls are expected to advance by no more than one percent annually through 2005. The outlook for federal job growth in the Gem State is worse. Its fate is determined not by local issues, but by Potomac River budget writers. Given the events of September 11, 2001, it appears more federal money will be funneled into national security. The U.S. military has a relatively small presence in this state, so Idaho is not likely to benefit from increased military spending. Idaho federal government employment is anticipated to shrink from 13,138 in 2001 to 12,706 in 2005, a cumulative decline of 3.3%.

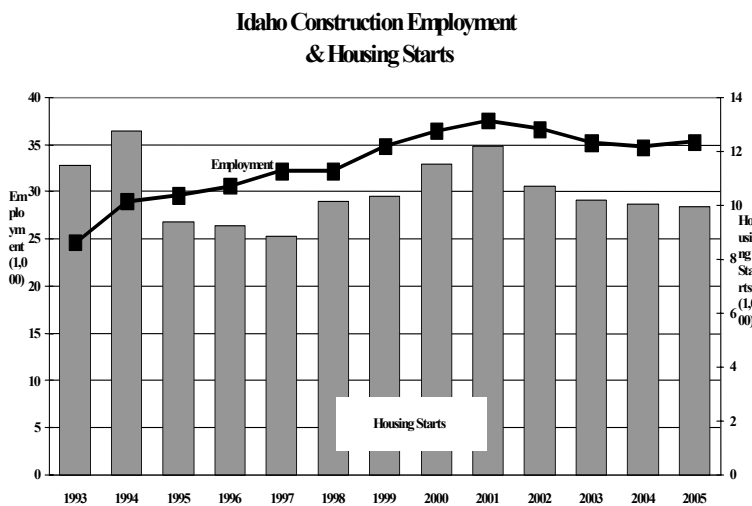


Services-Producing Industries:

Most of the jobs created over the next few years will be in the state's services-producing sector. One of the reasons is this sector has the largest employment base. In 2001, there were almost 454,000 jobs in this sector. But sheer size alone does not account for its predicted strength. It accounted for about 80% of the total number of Idaho jobs in 2001, but is expected to account for about 96% of the total new job growth over the forecast period. Obviously, additional factors are also fueling growth. The biggest trend transforming it is the

ongoing move away from a goods-producing economy to a services-producing one. In 1970, about one of every four jobs in Idaho was in the goods-producing sector (manufacturing, mining, and construction). Three decades later, the goods-producing sector accounted for just one of every five jobs. In the past, services employment was driven by local goods-producing industries. This has changed. As the economy evolves, services-based industries are becoming less dependent on these industries. An example of this trend is the growing number of call centers in Idaho. The call centers are involved in a wide range of activities including sales, help lines, telemarketing, customer services, and market research. Call centers also include a wide variety of business sectors. These include manufacturing, transportation, communications, trade, finance, insurance, business services, and research and development. These companies have flourished in Idaho because new technology frees

companies from being located near their markets. Instead, they are drawn to Idaho because of its high quality labor force. This has created opportunities in the Gem State that a few years ago would have seemed impossible. For example, landlocked Boise is the home to an international shipping company's scheduling operations. Although the connection between goods- and services-producing sectors have blurred, they have not been severed. In fact, in some cases they have even been reinforced. Manufacturing firms sometimes use temporary employees to meet their peak demand needs. These employees are often employed by employment services and are counted as service employees. As a result, their numbers wax and wane with the manufacturers' business cycle. Another trend affecting service employment is the increasing presence of national "big-box" merchandisers in the Gem state. Recent openings by such industry giants as Fred Meyer, Home Depot, and Wal-Mart have provided employment opportunities in both urban and rural communities. Services-producing employment is projected to increase 2.4% in 2001, 1.8% in 2002, 1.9% in 2003, 2.2% in 2004, and 2.0% in 2005.



Construction: Idaho's economic growth engine will be short one of its pistons over most of the forecast period. This is a significant change from the recent past. Idaho construction employment had been a star performer during the state's economic expansion. This sector's employment nearly tripled from just under 14,000 in 1987 to 37,537 in 2001, a 7.5% annual growth rate. To put this in perspective, Idaho total nonfarm employment growth averaged 3.9% per year over the same

period. The growth in construction employment resulted primarily from the booming housing market caused by the state's rising population. Housing starts surged from about 3,300 units in 1988 to nearly 12,800 units in 1994. Housing starts did settle down to about 9,400 units in 1995, but strong nonresidential construction kept this sector's employment growing. Since then, total housing starts have hovered in the 9,000- to 11,000-unit range. While this was below 1994's peak, it is still about three times higher than in 1988. One of the reasons the construction sector did not collapse was because there was no severe housing inventory overhangs in Idaho. The surge in population strained the supply of housing in the early 1990s, so this industry was in catch-up mode during most of this time. With demand outstripping supply, excess housing inventories did not accumulate. Of course, the construction industry remains cyclical. Falling Idaho housing starts will cause construction employment to contract through 2004. In addition, the Idaho construction employment forecast includes losses associated with the closing of Astaris' Pocatello phosphorus plant. More than 500 construction workers were employed building a waste treatment facility that has been scrapped. Employment is expected to grow again beginning in 2005. Idaho housing starts are forecast to be 12,179 units in 2001, 10,685 units in 2002, 10,168 in 2003, 10,019 units in 2004, and 9,968 in 2005. Idaho construction employment is expected to drop from its peak of 37,537 in 2001 to 35,310 in 2005.

FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses DRI*WEFA's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the January 2002 to the April 2002 *Idaho Economic Forecast*. The January 2002 Idaho forecast is based on DRI's November 2001 baseline forecast and the April 2002 Idaho forecast is driven by DRI*WEFA's March 2002 baseline U.S. macroeconomic forecast.

The table following summarizes the differences for several key national and Idaho variables between the current and previous forecast. A review of several national measures show the outlook for the U.S. economy is more optimistic than in the previous forecast. The most familiar barometer of the economy's overall health is real GDP. As the table shows, real GDP is stronger in each year of the forecast. The difference is largest in 2002. This is because the current forecast assumes the recession will not be severe as had been previously projected. Specifically, the current forecast shows real GDP growing 1.6% this year, which is four times as fast as the previous estimate. The prospects for U.S. total nonfarm employment have also improved. In 2002, it is 9,000 lower than previously projected, but by 2005 the current nonfarm employment estimate is nearly 1.3 million higher. U.S. personal income also is consistently higher. Interestingly, despite the stronger economic picture, inflation does not heat up. In fact, the current inflation picture is milder than in the previous forecast.

The outlook for Idaho's economy has improved marginally, despite a noticeable change in the national economy. For example, current Idaho nonfarm employment is stronger in 2002 and 2004, but weaker in 2003 and 2005. To get a clearer picture of what is going on one must wade deeper into the data. A look at just the goods-producing sector shows it has fewer jobs in each year of the forecast. One of the reasons for this is the starting point of the forecast has been lowered. Recent historical data show the previous forecast for goods-producing employment about 1,100 too high in the last quarter of 2001, with nearly 1,000 of this excess in the machinery sector. The situation worsens in 2003 because the U.S. economic recovery is not as steep as had been previously estimated. Idaho services-producing employment does not drop below previously forecasted levels, but there is some softness in 2003. In that year services-producing employment is about 800 higher than in the previous forecast, which is about half its 1,600 margin in 2002. Idaho nominal personal income is higher in each year of the forecast because the average annual wage is stronger in this forecast. This difference reflects a historical revision that raised the starting point of the wage forecast. This increase to nominal income combined with the forecast of lower inflation pushes Idaho real personal income above its previous level.

IDAHO ECONOMIC FORECAST
FORECASTS COMPARISON
DIFFERENCES BETWEEN
APRIL 2002 AND JANUARY 2002 FORECASTS

	1999	2000	2001	2002	2003	2004	2005
GDP (BILLIONS)							
Current \$	0	0	0	122	85	74	49
% Difference	0.0%	0.0%	0.0%	1.2%	0.8%	0.6%	0.4%
1996 Chain-Weighted	0	0	9	121	72	68	48
% Difference	0.0%	0.0%	0.1%	1.3%	0.7%	0.7%	0.5%
PERSONAL INCOME - CURR \$							
Idaho (Millions)	0	0	241	596	524	558	452
% Difference	0.0%	0.0%	0.8%	1.8%	1.5%	1.5%	1.1%
U.S. (Billions)	0	0	-12	40	37	50	23
% Difference	0.0%	0.0%	-0.1%	0.4%	0.4%	0.5%	0.2%
PERSONAL INCOME - 1996 \$							
Idaho (Millions)	0	0	247	634	520	545	451
% Difference	0.0%	0.0%	0.8%	2.1%	1.7%	1.7%	1.3%
U.S. (Billions)	0	0	-2	65	51	63	41
% Difference	0.0%	0.0%	0.0%	0.8%	0.6%	0.7%	0.5%
TOTAL NONFARM EMPLOYMENT							
Idaho	1	11	-306	784	-440	596	-101
% Difference	0.0%	0.0%	-0.1%	0.1%	-0.1%	0.1%	0.0%
U.S. (Thousands)	0	0	-23	-9	740	1,215	1,295
% Difference	0.0%	0.0%	0.0%	0.0%	0.6%	0.9%	0.9%
GOODS PRODUCING SECTOR							
Idaho	1	-5	-232	-791	-1,249	-414	-441
% Difference	0.0%	0.0%	-0.2%	-0.7%	-1.1%	-0.4%	-0.4%
U.S. (Thousands)	0	0	57	456	518	513	611
% Difference	0.0%	0.0%	0.2%	1.9%	2.2%	2.1%	2.5%
SERVICE PRODUCING SECTOR							
Idaho	-1	15	-74	1,575	809	1,010	341
% Difference	0.0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.1%
U.S. (Thousands)	0	0	-80	-465	222	702	684
% Difference	0.0%	0.0%	-0.1%	-0.4%	0.2%	0.6%	0.6%
FINANCIAL MARKETS							
Federal Funds Rate	0.0%	0.0%	0.0%	-0.5%	-0.5%	0.0%	0.0%
Bank Prime Rate	0.0%	0.0%	0.0%	-0.5%	-0.5%	0.0%	0.0%
Mort Rate, Existing Homes	0.0%	0.0%	-0.1%	0.4%	-0.5%	-0.8%	-0.8%
INFLATION							
GDP Price Deflator	0.0	0.0	-0.1	-0.2	0.0	-0.1	-0.1
Personal Cons Deflator	0.0	0.0	-0.1	-0.4	-0.2	-0.2	-0.3
Consumer Price Index	-0.1	-0.1	-0.4	-0.5	-0.1	-0.1	-0.2

Forecast Begins the FOURTH Quarter of 2001

ALTERNATIVE FORECASTS

DRI*WEFA has assigned a 55% probability of occurrence to its March 2002 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 1.2% in 2001, 1.6% in 2002, 3.8% in 2003, 3.8% in 2004, and 3.0% in 2005;
- U.S. nonfarm employment grows 0.4% in 2001, shrinks 0.4% in 2002, advances 1.5% in 2003, 2.2% in 2004, and 1.6% in 2005;
- the U.S. civilian unemployment rate peaks at 5.9% in 2002, then eases to 5.0% by 2005;
- consumer confidence contracts through next year;
- consumer inflation is 2.8% in 2001, 1.8% in 2002, then ranges between 2.6% and 2.7% thereafter;
- the federal government run small annual deficits through 2005;

While the baseline forecast is the most probable, other outcomes are also possible. The alternative scenarios considered here diverge in separate directions from the baseline forecast. In the first, the economy performs better than in the baseline. In the second, the economy falls short of the baseline's showing. Both alternatives and their impacts on the Idaho economy are discussed below.

OPTIMISTIC SCENARIO

There is a chance the baseline scenario is too pessimistic, and the economy could recover faster than had been forecast. DRI*WEFA assumes the probability of this occurring is 20%. Three sectors hold the key to this scenario's fruition. They are exports, nonresidential construction, and consumer spending. In the *Optimistic Scenario*, these sectors pick up sooner and more vigorously than in the *Baseline Scenario*. Exports benefit from the assumption that rest-of-world growth is stronger than in the baseline. As a result, the 2005 trade deficit is about \$16 billion lower. The mild winter gives nonresidential construction a first quarter 2002 boost, which causes this measure to fall just 7.2% this year compared to the baseline's nearly 12% drop. Lastly, it assumes consumers are more willing to spend, especially on durable goods. Real spending expands a healthy 3.4% in 2002 and its durable goods component increases an even stronger 6.3%. In the *Baseline Case*, real consumer spending advances 2.7% this year and durable good spending rises 2.1%.

This scenario assumes the economic turnaround comes sooner than in the baseline, an assumption that is supported by several recent indicators. Other features of the optimistic forecast include slightly higher inflation resulting from stronger demand. Multi-factor productivity growth is about 0.1 percentage point higher than in the baseline, accounting for a higher level of GDP throughout the forecast period. Real GDP is projected to expand 2.7% in 2002, 4.3% in 2003, 3.2% in 2004, and 2.7% in 2005. In the *Baseline Scenario* it grows 1.6% in 2002, 3.8% in 2003, 3.8% in 2004, and 3.0% in 2005.

The stronger U.S. economy improves Idaho's economic outlook over the next two years. Idaho nonfarm employment should grow 0.9% this year and 2.2% in 2003. This is a slight improvement over its baseline counterpart that is expected to rise 0.7% in 2002 and 1.7% in 2003. Interestingly, the stronger U.S. economy does not prevent the Idaho goods-producing sector from suffering losses in

IDAHO ECONOMIC FORECAST
CURRENT AND ALTERNATIVE FORECASTS
APRIL 2002

	BASELINE					OPTIMISTIC					PESSIMISTIC				
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005
GDP (BILLIONS)															
Current \$	10,206	10,536	11,181	11,868	12,508	10,206	10,654	11,378	12,045	12,703	10,206	10,473	10,791	11,524	12,204
% Ch	3.4%	3.2%	6.1%	6.1%	5.4%	3.4%	4.4%	6.8%	5.9%	5.5%	3.4%	2.6%	3.0%	6.8%	5.9%
1996 Chain-Weighted	9,332	9,484	9,849	10,219	10,525	9,332	9,585	9,993	10,312	10,593	9,332	9,434	9,524	9,994	10,369
% Ch	1.2%	1.6%	3.8%	3.8%	3.0%	1.2%	2.7%	4.3%	3.2%	2.7%	1.2%	1.1%	1.0%	4.9%	3.8%
PERSONAL INCOME - CURR \$															
Idaho (Millions)	32,435	33,984	35,998	38,136	40,314	32,435	34,105	36,365	38,565	40,863	32,435	33,921	35,220	37,166	39,231
% Ch	5.4%	4.8%	5.9%	5.9%	5.7%	5.4%	5.2%	6.6%	6.1%	6.0%	5.4%	4.6%	3.8%	5.5%	5.6%
U.S. (Billions)	8,724	9,001	9,500	10,057	10,565	8,724	9,058	9,644	10,205	10,732	8,724	8,976	9,230	9,735	10,266
% Ch	4.9%	3.2%	5.5%	5.9%	5.1%	4.9%	3.8%	6.5%	5.8%	5.2%	4.9%	2.9%	2.8%	5.5%	5.5%
PERSONAL INCOME - 1996 \$															
Idaho (Millions)	29,615	30,646	31,712	32,792	33,837	29,615	30,741	31,957	33,002	34,036	29,615	30,595	31,011	32,115	33,128
% Ch	3.5%	3.5%	3.5%	3.4%	3.2%	3.5%	3.8%	4.0%	3.3%	3.1%	3.5%	3.3%	1.4%	3.6%	3.2%
U.S. (Billions)	7,966	8,117	8,368	8,648	8,868	7,966	8,164	8,475	8,733	8,939	7,966	8,096	8,128	8,412	8,669
% Ch	3.0%	1.9%	3.1%	3.3%	2.5%	3.0%	2.5%	3.8%	3.0%	2.4%	3.0%	1.6%	0.4%	3.5%	3.1%
TOTAL NONFARM EMPLOYMENT															
Idaho (Thousands)	569.1	573.0	582.6	595.1	607.1	569.1	574.4	586.8	598.7	610.0	569.1	572.4	574.3	585.6	598.9
% Ch	1.8%	0.7%	1.7%	2.1%	2.0%	1.8%	0.9%	2.2%	2.0%	1.9%	1.8%	0.6%	0.3%	2.0%	2.3%
U.S. (Millions)	132.2	131.7	133.7	136.6	138.7	132.2	132.4	135.3	137.7	139.4	132.2	131.2	130.8	133.4	136.3
% Ch	0.4%	-0.4%	1.5%	2.2%	1.6%	0.4%	0.1%	2.1%	1.8%	1.3%	0.4%	-0.7%	-0.3%	2.0%	2.2%
GOODS PRODUCING SECTOR															
Idaho (Thousands)	115.1	110.9	111.9	114.1	116.6	115.1	111.7	113.6	115.2	117.2	115.1	110.5	109.3	112.4	116.2
% Ch	-0.8%	-3.7%	0.9%	2.0%	2.2%	-0.8%	-3.0%	1.7%	1.4%	1.7%	-0.8%	-4.0%	-1.1%	2.8%	3.4%
U.S. (Millions)	25.1	24.1	24.2	24.9	25.2	25.1	24.4	25.0	25.5	25.6	25.1	23.9	23.2	23.6	24.6
% Ch	-2.3%	-4.2%	0.8%	2.5%	1.3%	-2.3%	-2.8%	2.4%	1.9%	0.3%	-2.3%	-4.7%	-2.9%	1.6%	4.0%
SERVICE PRODUCING SECTOR															
Idaho (Thousands)	454.0	462.1	470.8	481.0	490.5	454.0	462.8	473.2	483.5	492.8	454.0	461.9	465.0	473.2	482.7
% Ch	2.4%	1.8%	1.9%	2.2%	2.0%	2.4%	1.9%	2.3%	2.2%	1.9%	2.4%	1.7%	0.7%	1.8%	2.1%
U.S. (Millions)	107.1	107.7	109.5	111.8	113.6	107.1	108.0	110.3	112.2	113.9	107.1	107.3	107.6	109.8	111.7
% Ch	1.0%	0.5%	1.7%	2.1%	1.6%	1.0%	0.8%	2.1%	1.8%	1.5%	1.0%	0.2%	0.3%	2.0%	1.8%
SELECTED INTEREST RATES															
Federal Funds	3.9%	2.0%	4.0%	5.0%	5.0%	3.9%	2.0%	4.2%	5.4%	5.5%	3.9%	1.8%	2.0%	3.4%	4.0%
Bank Prime	6.9%	5.0%	7.0%	8.0%	8.0%	6.9%	5.0%	7.2%	8.4%	8.5%	6.9%	4.8%	5.0%	6.4%	7.0%
Existing Home Mortgage	7.0%	7.3%	7.5%	7.6%	7.4%	7.0%	7.2%	7.5%	7.7%	7.7%	7.0%	7.2%	6.6%	6.8%	7.0%
INFLATION															
GDP Price Deflator	2.2%	1.5%	2.2%	2.3%	2.3%	2.2%	1.6%	2.4%	2.6%	2.7%	2.2%	1.5%	2.1%	1.8%	2.1%
Personal Cons Deflator	1.9%	1.2%	2.4%	2.5%	2.4%	1.9%	1.3%	2.6%	2.7%	2.7%	1.9%	1.2%	2.4%	1.9%	2.3%
Consumer Price Index	2.8%	1.8%	2.6%	2.6%	2.7%	2.8%	1.8%	2.8%	2.9%	2.9%	2.8%	1.8%	2.6%	2.1%	2.5%

Forecast Begins the FOURTH Quarter of 2001

2002, but it does reduce its severity. Idaho nonfarm employment growth rates dip beneath their baseline counterparts in the last two years of the forecast. However, thanks to the strong start in 2002 and 2003,

Idaho nonfarm employment is about 3,000 higher in 2005. Idaho real personal income displays the same pattern of stronger growth this year and next compared to the baseline and slightly lower growth in 2004 and 2005. The result is also similar. Despite slightly slower growth in 2004 and 2005, Idaho real personal income is about \$200 million higher in 2005 than in the *Baseline Case*.

PESSIMISTIC SCENARIO

One of the fears about the current expansion is it will run out of steam and the economy will retreat into another recession. In this scenario, the impacts of this type of “double-dip” recession are explored. This scenario has been assigned a 25% probability of occurrence, which is slightly more likely than the *Optimistic Recession* described above. The end of inventory liquidation has boosted real GDP growth during the first quarter of 2002. But with credit tight and demand still weak, the inventory correction does not lead to a sustained increase in production. This staggers the economy, but it is not a mortal blow. This forecast assumes the U.S. invades Iraq, and this proves to be the straw that breaks the camel’s back. Oil prices spike as market anticipate the worst. But this military action affects more than just oil prices. It sends jitters through consumers, businesses, and financial markets, resulting in curtailed spending in early 2003. Layoffs resume, causing spending to suffer.

Sensing the recovery’s fragile nature, the Federal Reserve holds the federal funds rate at 1.75% until the summer of 2003. As the global situation calms, confidence builds and both consumers and businesses resume buying. Businesses also increase their payrolls. By the end of next year, the recovery is on solid ground. Although the second trough of the “double-dip” recession is as mild as the first, it is important to remember the economy has been struggling for three years by the time the recovery is secure.

The “double-dip” recession delays the state’s economic rejuvenation. In the baseline it was assumed that Idaho nonfarm employment growth would accelerate to 1.7% in 2003 after growing a meager 0.7% in 2002. The second dip of the national recession would cut the legs out from the recovery and Idaho nonfarm employment growth would actually slow to just 0.3% next year. The blow to the goods-producing sector would be especially harsh. Its employment would shrink 4.0% in 2002, compared to the 3.7% drop in the *Baseline Case*. Likewise, Idaho real personal income growth would also decelerate this year and next year. Unfortunately, these setbacks will not be offset by stronger growth in 2004 and 2005. In the last year of the forecast, Idaho nonfarm employment is down 8,200 jobs from the baseline and real income is off about \$700 million.

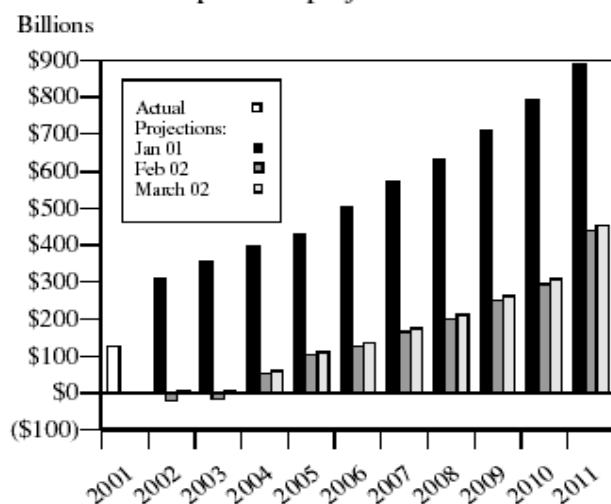
THE CHANGING BUDGET PICTURE

Carl E. Walsh

In January 2001, the Congressional Budget Office (CBO) reported that the federal government was projected to run a \$313 billion surplus in 2002. Now, just a little over a year later, the CBO's latest reports indicate a major deterioration in the budget projections. In its February 2002 report, the CBO projected a deficit of \$21 billion in 2002; in a revision released in March 2002, to account for the release of President Bush's federal budget for 2002–2003, the CBO projected a small surplus in 2002 under its baseline scenario and a \$90 billion deficit under the President's proposals. Finally, when the economic stimulus bill passed Congress, the CBO again revised its baseline projection for 2002 to show a \$46 billion deficit.

Figure 1

Actual 2001 surplus and projections for 2002–2011



Although large changes in the budget outlook from year to year are not uncommon, the magnitude of the change for 2002 is unusually large. This *Economic Letter* examines the change in the budget outlook and discusses the causes of the revisions in the projections. Because the complete CBO baseline analysis of the Economic Stimulus Bill is not yet out, this *Letter* focuses on the projections released in early March.

The budget revisions

Figure 1 shows the large downward revisions in both the current and future surpluses that occurred between early 2001 and 2002. In January 2001, the CBO projected that the surplus would be \$313 billion for 2002 and would rise significantly over the decade, reaching an annual level of \$889 billion in 2011 and totaling \$5.6 trillion for the entire decade.

In the CBO's February 2002 projections, the surplus for 2002 was gone. In its place was a projected deficit of \$21 billion. The CBO still projected a surplus over the entire decade, but the total fell from \$5.6 trillion to just \$1.6 trillion. In early March, the CBO revised its projections again and showed a small surplus of \$5 billion for 2002.

What accounts for this large swing in the budget outlook?

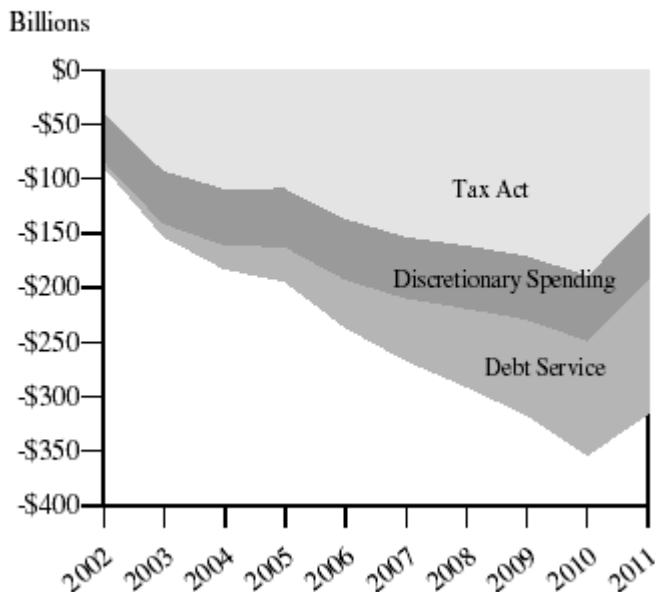
To answer this question, it is important to recognize that the CBO's budget projections are different from forecasts of future budget surpluses and deficits. (See Walsh 1999 for a full discussion of the differences.) One of the most important differences is that the CBO projections assume that current laws and policies will remain unchanged. For example, though Congress was debating a tax cut in the first half of 2001, the CBO did not change its budget projections until the legislation actually passed. Therefore, the January 2001 projections assumed no tax cut, while the February 2002 projections incorporate the effects of the new tax bill. Similarly, the CBO's baseline projection released in March

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2002 does not incorporate the proposals contained in the President's 2002–2003 budget. The CBO does provide estimates of the impact of the President's budget, however, and they show the budget swinging from a \$5 billion surplus to a \$90 billion deficit in 2002. Whenever major legislative changes in either taxes or spending occur, there will be large revisions in the CBO's projections.

Figure 2

Changes in the surplus due to legislative sources



Legislative changes did play an important role in altering the budget outlook between January 2001 and early 2002, reducing the projected surplus by \$91 billion for 2002. The effect of these legislated changes grows over time; by 2011 they are projected to reduce the surplus by \$319 billion. Figure 2 focuses on these legislative changes, distinguishing among tax, spending, and debt service factors. The tax cut passed by Congress in 2001 is the primary legislative reason for the downward revisions in the surplus. Increased discretionary spending also contributes to the smaller surpluses; for the period 2002–2011, the CBO has raised its projection for discretionary spending by \$550 billion. Of this total, \$301 billion is for defense spending and \$249 billion is for nondefense outlays.

Because these legislative changes reduce the surplus available to repay the government's outstanding debt, the debt will fall more slowly than had been projected earlier. As a result, federal interest payments are now likely to be significantly higher than were assumed in the CBO's January 2001 projections. This debt service component grows to become a major source of the changing outlook for the surplus, accounting for \$124 billion of the \$319 billion reduction in the surplus projected for 2011.

While the CBO projections assume current laws and policies remain unchanged over the horizon of the projection, the CBO does incorporate their forecasts of economic conditions. And the near term economic outlook has changed significantly since January 2001. The long economic boom the U.S. enjoyed through most of the 1990s officially ended in March 2001. An economic recession has major implications for budget projections. As overall income declines, the government's tax revenues fall, contributing to a fall in the budget surplus. During February 2002, the outlook for economic activity improved. As a result, between February and March 2002, the CBO revised its baseline projection for 2002 from a deficit of \$21 billion to a surplus of \$5 billion.

A final source of changes in the budget projections arises from what the CBO classifies as technical changes. This category is a catch-all for any changes in the budget outlook that are related neither to legislative changes nor to the CBO's economic forecast. In the February projections, most of the technical changes are due to downward revisions in revenue estimates. One major factor contributing to these lower revenue forecasts is the weak performance of the stock market during 2001 and early 2002. This weakness has caused the CBO to reduce its estimate of the government's revenue from such sources as capital gains realizations.

Figure 3
Sources of the fall in projected surpluses

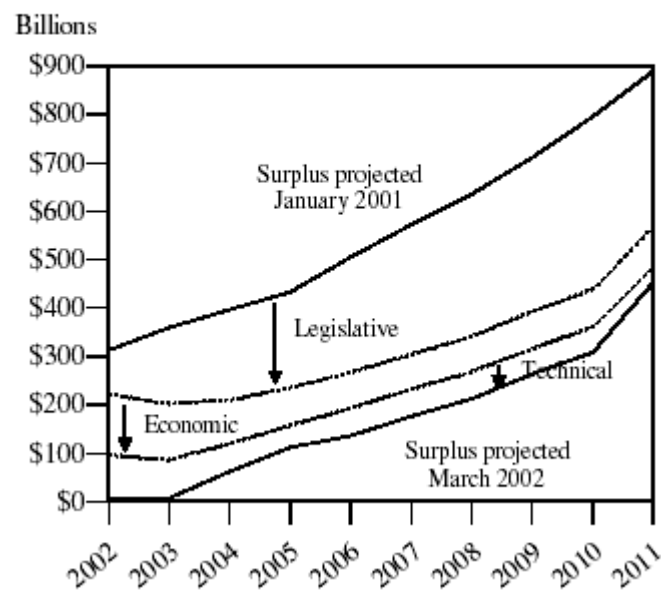


Figure 3 puts together these three sources of revisions—legislative, economic, and technical—to show how each has contributed to the reduction in projected surpluses.

The relative importance of each component varies over the projection horizon. For 2002, for example, changing economic conditions and related factors, such as the decline in capital gains realizations, account for more than 70% of the deterioration in the budget projection. Of the \$308 billion reduction in the projected surplus for 2002, \$125 billion is the result of changes in the CBO's economic forecasts. Technical changes account for a further \$92 billion reduction, while legislative changes are estimated to reduce the 2002 surplus by \$91 billion. As the decade progresses, legislative changes become the major reason for the downward revisions in

the surplus projections. In 2010, for example, \$357 billion of the \$488 billion change in the projection is due to legislative changes, and, as Figure 2 showed, most of these legislative changes reflect the impact of the tax cut.

Budget principles

Changes in the CBO's budget projections help explain why the outlook for future federal surpluses has changed dramatically over the past year. The projections allow one to separate the impacts of the 2001 recession from the 2001 tax cut. What the projections do not provide, though, is any assessment of whether the changes are desirable or not. For that, one needs some basic principles for assessing the government's financial condition.

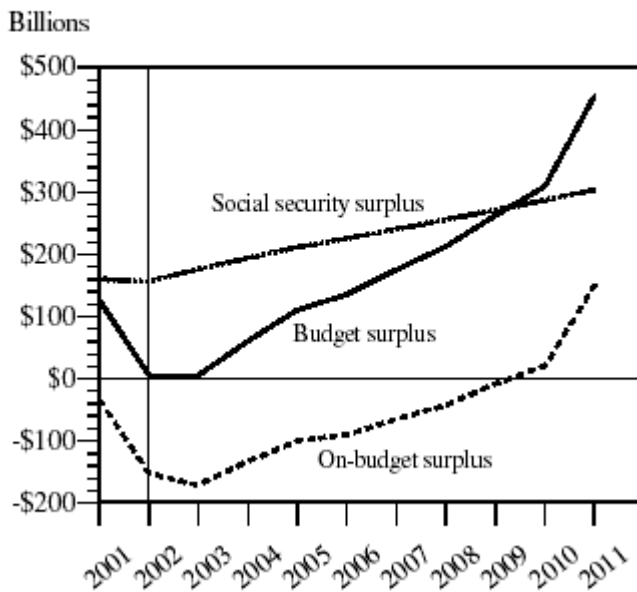
For instance, most economists believe governments should aim to balance their budgets, not year to year but over longer time horizons. When the economy is in a recession and tax revenues decline, it is appropriate to run a deficit (or a smaller surplus). When the economy booms and tax revenues rise, the government should run a larger surplus. These short-run fluctuations that occur as the economy experiences business cycles can cloud the longer-run budget picture. The decline in the projected surpluses caused by the economic slowdown in 2001, and reflected in the changes in the CBO's economic forecasts, does not signal any fundamental change in the government's financial health.

To abstract from budget fluctuations associated with the business cycle, economists often focus on what is variously called the full employment, high-employment, or structural budget. This measure is designed to show what the budget surplus would be if the economy maintained full employment. Currently, the full employment budget is still in surplus; if economic activity had not declined during 2001, the federal government would be running a budget surplus.

That still raises the issue of whether, at full employment, the government's surplus is too large or too small. To assess this issue, a second budget principle is helpful. The government should take into account *all* the implications of current policies, not just their implications for this year or the next few

years. For example, no assessment of the federal government's budget outlook can ignore the looming retirement of the baby boom generation and the effects this will have on the Social Security System. Because of the need to build reserves to fund the projected Social Security payments to the baby boomers, the Social Security Trust Fund currently takes in more revenues than it pays out in current benefits. Figure 4 shows that when these Social Security surpluses are separated out of the overall budget, the remaining budget, referred to as the on-budget surplus, was actually in deficit in 2001, despite an overall surplus of \$127 billion, and the on-budget balance is projected to remain in deficit until 2010. Thus, the Social Security System masks deficits in the rest of the budget that are projected to continue for almost the entire decade.

Figure 4
Social Security and on-budget surpluses



Finally, any assessment of the budget outlook must bear in mind the uncertainty inherent in projecting future revenues and spending. The events of September 11, 2001, and their impact on defense and security-related federal expenditures are telling reminders of the difficulties of accurately looking into the future. Economic conditions will change as well and, as they do, so will the budget outlook.

Projections like those shown here, with a single line extending into the future, do not provide a sense of the *range* of possible outcomes. To overcome this difficulty, the CBO has begun to produce “fan charts” like those used by the Bank of England for its inflation forecasts. A fan chart shows a range of projections emanating from the most recent actual data, and the width of the fan is based on an estimate of

the uncertainty in the projection. For example, it can show the range of outcomes that, under current laws and policies, will include the actual budget outcome with 90% probability. For 2002, this range extends from a surplus of \$108 billion to a deficit of \$149 billion. As one looks further into the future, the range gets even wider. For 2007, the 90% range goes from a surplus of \$901 billion to a deficit of \$568 billion. These wide bounds serve as useful reminders that the CBO budget projections are like snapshots, based on current policies and economic forecasts. But these projections are likely to be subject to major revisions in the future, just as they have been in the past, as Congress legislates changes in taxes and spending and as economic conditions evolve.

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FORECAST DETAIL

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Reporting Conventions

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions; income is in billions; and employment is in thousands.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data are provided by DRI*WEFA and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

APRIL 2002

DEMOGRAPHICS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
POPULATION										
Idaho (Thousands)	990.5	986.6	988.5	996.7	1,010.7	1,037.5	1,068.1	1,098.4	1,131.0	1,159.9
% Ch	-0.3%	-0.4%	0.2%	0.8%	1.4%	2.6%	3.0%	2.8%	3.0%	2.6%
National (Millions)	240.9	243.1	245.3	247.7	250.3	253.0	255.7	258.4	260.9	263.4
% Ch	0.9%	0.9%	0.9%	1.0%	1.1%	1.1%	1.1%	1.0%	1.0%	0.9%
BIRTHS										
Idaho (Thousands)	16.4235	15.905	15.759	15.863	16.423	16.741	17.197	17.575	17.690	17.915
% Ch	-6.4%	-3.2%	-0.9%	0.7%	3.5%	1.9%	2.7%	2.2%	0.7%	1.3%
National (Thousands)	3,757.0	3,809.0	3,910.0	4,041.0	4,158.0	4,110.0	4,038.0	3,997.0	3,964.0	3,935.0
% Ch	-0.1%	1.4%	2.7%	3.4%	2.9%	-1.2%	-1.8%	-1.0%	-0.8%	-0.7%
DEATHS										
Idaho (Thousands)	7.345	7.307	7.611	7.389	7.358	7.644	7.887	8.277	8.478	8.553
% Ch	3.4%	-0.5%	4.2%	-2.9%	-0.4%	3.9%	3.2%	4.9%	2.4%	0.9%
National (Thousands)	2,105.0	2,123.0	2,168.0	2,150.0	2,162.0	2,163.0	2,210.0	2,237.0	2,264.0	2,291.0
% Ch	0.9%	0.9%	2.1%	-0.8%	0.6%	0.0%	2.2%	1.2%	1.2%	1.2%
NET MIGRATION										
Idaho (Thousands)	-12.389	-12.542	-6.249	-0.251	4.984	17.628	21.365	20.977	23.411	19.562
HOUSING										
HOUSING STARTS										
Idaho	4,164	3,409	3,334	4,674	5,832	6,600	9,584	11,457	12,766	9,361
% Ch	-4.0%	-18.1%	-2.2%	40.2%	24.8%	13.2%	45.2%	19.5%	11.4%	-26.7%
National (Millions)	1.812	1.631	1.488	1.382	1.203	1.009	1.201	1.292	1.446	1.361
% Ch	4.0%	-10.0%	-8.7%	-7.1%	-12.9%	-16.2%	19.1%	7.5%	12.0%	-5.9%
SINGLE UNITS										
Idaho	3,157	2,744	2,981	3,711	4,786	5,662	7,900	8,939	9,420	7,281
% Ch	-1.7%	-13.1%	8.6%	24.5%	29.0%	18.3%	39.5%	13.1%	5.4%	-22.7%
National (Millions)	1.182	1.154	1.083	1.006	0.901	0.835	1.032	1.131	1.191	1.082
% Ch	10.4%	-2.4%	-6.2%	-7.1%	-10.5%	-7.3%	23.6%	9.6%	5.4%	-9.2%
MULTIPLE UNITS										
Idaho	1,007	665	353	963	1,046	938	1,684	2,518	3,346	2,080
% Ch	-10.5%	-33.9%	-47.0%	173.2%	8.6%	-10.3%	79.6%	49.5%	32.9%	-37.8%
National (Millions)	0.630	0.476	0.405	0.376	0.303	0.174	0.170	0.161	0.255	0.279
% Ch	-6.1%	-24.3%	-15.0%	-7.2%	-19.5%	-42.6%	-2.4%	-5.1%	58.3%	9.4%
HOUSING STOCK										
Idaho (Thousands)	322.1	324.8	327.1	330.1	334.8	339.8	347.4	356.9	368.7	377.8
% Ch	1.1%	0.8%	0.7%	0.9%	1.4%	1.5%	2.2%	2.7%	3.3%	2.4%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

APRIL 2002

DEMOGRAPHICS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
POPULATION										
Idaho (Thousands)	1,186.7	1,211.0	1,231.0	1,251.8	1,273.1	1,292.9	1,308.6	1,323.3	1,336.9	1,350.7
% Ch	2.3%	2.0%	1.7%	1.7%	1.7%	1.6%	1.2%	1.1%	1.0%	1.0%
National (Millions)	265.8	268.4	270.8	273.2	275.7	278.2	280.7	283.2	285.6	288.1
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS										
Idaho (Thousands)	18.482	18.599	19.188	19.897	20.304	20.674	20.832	20.988	21.160	21.344
% Ch	3.2%	0.6%	3.2%	3.7%	2.0%	1.8%	0.8%	0.8%	0.8%	0.9%
National (Thousands)	3,911.0	3,892.0	3,880.0	3,874.0	3,872.0	3,876.0	3,885.0	3,901.0	3,925.0	3,955.3
% Ch	-0.6%	-0.5%	-0.3%	-0.2%	-0.1%	0.1%	0.2%	0.4%	0.6%	0.8%
DEATHS										
Idaho (Thousands)	8.679	8.953	9.105	9.488	9.538	9.644	9.776	9.903	10.022	10.142
% Ch	1.5%	3.2%	1.7%	4.2%	0.5%	1.1%	1.4%	1.3%	1.2%	1.2%
National (Thousands)	2,318.0	2,345.0	2,372.0	2,399.0	2,424.0	2,446.0	2,467.0	2,487.0	2,507.0	2,528.0
% Ch	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%
NET MIGRATION										
Idaho (Thousands)	16.982	14.573	9.966	10.416	10.533	8.783	4.638	3.631	2.405	2.586
HOUSING										
HOUSING STARTS										
Idaho	9,221	8,862	10,112	10,337	11,528	12,179	10,685	10,168	10,019	9,968
% Ch	-1.5%	-3.9%	14.1%	2.2%	11.5%	5.6%	-12.3%	-4.8%	-1.5%	-0.5%
National (Millions)	1.469	1.475	1.621	1.647	1.575	1.606	1.575	1.545	1.626	1.644
% Ch	7.9%	0.4%	9.9%	1.6%	-4.4%	2.0%	-1.9%	-1.9%	5.3%	1.1%
SINGLE UNITS										
Idaho	7,850	7,659	9,042	9,193	10,381	10,332	9,440	9,153	9,125	9,093
% Ch	7.8%	-2.4%	18.1%	1.7%	12.9%	-0.5%	-8.6%	-3.0%	-0.3%	-0.4%
National (Millions)	1.154	1.136	1.278	1.306	1.233	1.275	1.274	1.272	1.307	1.316
% Ch	6.7%	-1.6%	12.4%	2.2%	-5.6%	3.4%	0.0%	-0.2%	2.7%	0.7%
MULTIPLE UNITS										
Idaho	1,372	1,204	1,070	1,144	1,147	1,848	1,245	1,015	894	876
% Ch	-34.1%	-12.2%	-11.1%	6.9%	0.3%	61.0%	-32.6%	-18.5%	-11.9%	-2.0%
National (Millions)	0.314	0.338	0.344	0.341	0.342	0.331	0.301	0.272	0.319	0.327
% Ch	12.7%	7.6%	1.6%	-0.7%	0.1%	-3.1%	-9.1%	-9.4%	17.1%	2.7%
HOUSING STOCK										
Idaho (Thousands)	386.2	393.7	402.3	411.3	421.1	432.1	441.8	450.8	459.5	468.1
% Ch	2.2%	1.9%	2.2%	2.2%	2.4%	2.6%	2.3%	2.0%	1.9%	1.9%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

APRIL 2002

OUTPUT, INCOME, & WAGES

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
GROSS DOM. PRODUCT (Billions)										
Current Dollars	4,453	4,742	5,108	5,489	5,803	5,986	6,319	6,642	7,054	7,401
% Ch	5.7%	6.5%	7.7%	7.5%	5.7%	3.2%	5.6%	5.1%	6.2%	4.9%
1996 Chain-Weighted	5,912	6,113	6,368	6,592	6,708	6,676	6,880	7,063	7,348	7,544
% Ch	3.4%	3.4%	4.2%	3.5%	1.8%	-0.5%	3.1%	2.7%	4.0%	2.7%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	11,851	12,422	13,354	14,721	16,055	16,825	18,382	20,105	21,399	22,869
% Ch	2.4%	4.8%	7.5%	10.2%	9.1%	4.8%	9.3%	9.4%	6.4%	6.9%
Idaho Nonfarm (Millions)	11,377	11,838	12,722	13,863	15,081	16,026	17,581	19,040	20,706	22,073
% Ch	2.3%	4.1%	7.5%	9.0%	8.8%	6.3%	9.7%	8.3%	8.7%	6.6%
National (Billions)	3,712	3,963	4,272	4,600	4,903	5,085	5,390	5,610	5,888	6,201
% Ch	5.6%	6.7%	7.8%	7.7%	6.6%	3.7%	6.0%	4.1%	5.0%	5.3%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	16,296	16,453	17,022	17,982	18,749	18,923	20,061	21,431	22,357	23,359
% Ch	-0.1%	1.0%	3.5%	5.6%	4.3%	0.9%	6.0%	6.8%	4.3%	4.5%
Idaho Nonfarm (Millions)	15,645	15,680	16,217	16,934	17,610	18,024	19,187	20,296	21,632	22,545
% Ch	-0.1%	0.2%	3.4%	4.4%	4.0%	2.4%	6.5%	5.8%	6.6%	4.2%
National (Billions)	5,105	5,249	5,447	5,619	5,726	5,720	5,883	5,980	6,152	6,334
% Ch	3.1%	2.8%	3.8%	3.2%	1.9%	-0.1%	2.9%	1.7%	2.9%	3.0%
PER CAPITA PERS INC - CURR \$										
Idaho	11,965	12,591	13,510	14,769	15,884	16,217	17,208	18,302	18,918	19,715
% Ch	2.7%	5.2%	7.3%	9.3%	7.5%	2.1%	6.1%	6.4%	3.4%	4.2%
National	15,410	16,301	17,414	18,571	19,588	20,099	21,077	21,709	22,565	23,543
% Ch	4.7%	5.8%	6.8%	6.6%	5.5%	2.6%	4.9%	3.0%	3.9%	4.3%
PER CAPITA PERS INC - 1996 \$										
Idaho	16,453	16,677	17,221	18,041	18,551	18,240	18,781	19,510	19,766	20,137
% Ch	0.3%	1.4%	3.3%	4.8%	2.8%	-1.7%	3.0%	3.9%	1.3%	1.9%
National	21,191	21,592	22,203	22,687	22,876	22,606	23,004	23,142	23,577	24,049
% Ch	2.2%	1.9%	2.8%	2.2%	0.8%	-1.2%	1.8%	0.6%	1.9%	2.0%
AVERAGE ANNUAL WAGE										
Idaho	17,183	17,620	18,337	18,892	19,760	20,556	21,477	21,963	22,723	23,620
% Ch	3.2%	2.5%	4.1%	3.0%	4.6%	4.0%	4.5%	2.3%	3.5%	3.9%
National	21,283	22,267	23,314	24,070	25,178	26,089	27,466	27,872	28,358	29,224
% Ch	3.9%	4.6%	4.7%	3.2%	4.6%	3.6%	5.3%	1.5%	1.7%	3.1%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

APRIL 2002

OUTPUT, INCOME, & WAGES

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GROSS DOM. PRODUCT (Billions)										
Current Dollars	7,813	8,318	8,782	9,269	9,873	10,206	10,536	11,181	11,868	12,508
% Ch	5.6%	6.5%	5.6%	5.5%	6.5%	3.4%	3.2%	6.1%	6.1%	5.4%
1996 Chain-Weighted	7,813	8,159	8,509	8,857	9,224	9,332	9,484	9,849	10,219	10,525
% Ch	3.6%	4.4%	4.3%	4.1%	4.1%	1.2%	1.6%	3.8%	3.8%	3.0%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	24,174	25,227	27,079	28,572	30,759	32,435	33,984	35,998	38,136	40,314
% Ch	5.7%	4.4%	7.3%	5.5%	7.7%	5.4%	4.8%	5.9%	5.9%	5.7%
Idaho Nonfarm (Millions)	23,298	24,557	26,163	27,577	29,797	31,345	32,869	34,834	36,995	39,197
% Ch	5.6%	5.4%	6.5%	5.4%	8.1%	5.2%	4.9%	6.0%	6.2%	6.0%
National (Billions)	6,547	6,937	7,426	7,777	8,319	8,724	9,001	9,500	10,057	10,565
% Ch	5.6%	6.0%	7.0%	4.7%	7.0%	4.9%	3.2%	5.5%	5.9%	5.1%
PERSONAL INCOME - 1996 \$										
Idaho (Millions)	24,172	24,745	26,281	27,282	28,605	29,615	30,646	31,712	32,792	33,837
% Ch	3.5%	2.4%	6.2%	3.8%	4.9%	3.5%	3.5%	3.5%	3.4%	3.2%
Idaho Nonfarm (Millions)	23,297	24,088	25,392	26,331	27,711	28,620	29,641	30,685	31,810	32,899
% Ch	3.3%	3.4%	5.4%	3.7%	5.2%	3.3%	3.6%	3.5%	3.7%	3.4%
National (Billions)	6,547	6,805	7,208	7,427	7,737	7,966	8,117	8,368	8,648	8,868
% Ch	3.4%	3.9%	5.9%	3.0%	4.2%	3.0%	1.9%	3.1%	3.3%	2.5%
PER CAPITA PERS INC - CURR \$										
Idaho	20,369	20,831	21,997	22,823	24,159	25,085	25,968	27,201	28,525	29,846
% Ch	3.3%	2.3%	5.6%	3.8%	5.9%	3.8%	3.5%	4.7%	4.9%	4.6%
National	24,630	25,851	27,421	28,462	30,176	31,360	32,069	33,547	35,210	36,674
% Ch	4.6%	5.0%	6.1%	3.8%	6.0%	3.9%	2.3%	4.6%	5.0%	4.2%
PER CAPITA PERS INC - 1996 \$										
Idaho	20,369	20,433	21,349	21,793	22,468	22,904	23,418	23,963	24,528	25,051
% Ch	1.1%	0.3%	4.5%	2.1%	3.1%	1.9%	2.2%	2.3%	2.4%	2.1%
National	24,630	25,358	26,615	27,180	28,065	28,636	28,920	29,552	30,276	30,782
% Ch	2.4%	3.0%	5.0%	2.1%	3.3%	2.0%	1.0%	2.2%	2.4%	1.7%
AVERAGE ANNUAL WAGE										
Idaho	24,110	24,811	25,825	26,975	28,654	29,592	30,811	32,065	33,447	34,902
% Ch	2.1%	2.9%	4.1%	4.5%	6.2%	3.3%	4.1%	4.1%	4.3%	4.3%
National	30,325	31,701	33,317	34,695	36,713	38,557	39,769	41,269	42,831	44,298
% Ch	3.8%	4.5%	5.1%	4.1%	5.8%	5.0%	3.1%	3.8%	3.8%	3.4%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

APRIL 2002

PERSONAL INCOME -- CURR \$\$

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	5,930	6,171	6,704	7,247	7,971	8,533	9,307	9,991	10,916	11,725
% Ch	0.8%	4.1%	8.6%	8.1%	10.0%	7.1%	9.1%	7.3%	9.3%	7.4%
National (Billions)	2,114	2,270	2,453	2,597	2,755	2,824	2,983	3,085	3,237	3,425
% Ch	6.0%	7.4%	8.0%	5.9%	6.1%	2.5%	5.6%	3.4%	4.9%	5.8%
FARM PROPRIETORS INCOME										
Idaho (Millions)	331	443	471	683	771	601	603	839	410	496
% Ch	9.0%	33.9%	6.4%	45.1%	12.8%	-22.1%	0.3%	39.3%	-51.2%	21.1%
National (Billions)	23	29	26	32	31	26	33	30	32	22
% Ch	6.8%	26.1%	-10.2%	23.3%	-3.0%	-15.3%	23.9%	-7.8%	6.0%	-30.5%
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	1,171	1,249	1,368	1,483	1,563	1,515	1,833	2,139	2,342	2,264
% Ch	3.8%	6.7%	9.5%	8.4%	5.4%	-3.1%	21.0%	16.7%	9.5%	-3.3%
National (Billions)	256	275	313	330	350	358	402	432	445	476
% Ch	4.1%	7.5%	13.8%	5.4%	6.1%	2.3%	12.3%	7.5%	3.0%	6.9%
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	2,393	2,444	2,587	2,912	3,122	3,254	3,367	3,554	3,925	4,377
% Ch	2.3%	2.1%	5.9%	12.5%	7.2%	4.3%	3.5%	5.6%	10.4%	11.5%
National (Billions)	718	758	824	932	987	1,006	999	1,019	1,087	1,164
% Ch	5.1%	5.6%	8.8%	13.1%	5.9%	2.0%	-0.8%	2.1%	6.7%	7.1%
OTHER LABOR INCOME										
Idaho (Millions)	838	888	943	1,029	1,143	1,265	1,415	1,591	1,725	1,714
% Ch	2.5%	6.0%	6.2%	9.1%	11.2%	10.7%	11.8%	12.5%	8.4%	-0.6%
National (Billions)	298	319	336	361	390	416	450	483	507	497
% Ch	5.7%	6.9%	5.4%	7.1%	8.2%	6.6%	8.2%	7.4%	5.1%	-2.1%
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	1,522	1,572	1,680	1,812	1,972	2,192	2,442	2,626	2,777	3,012
% Ch	5.7%	3.3%	6.9%	7.9%	8.8%	11.2%	11.4%	7.5%	5.8%	8.5%
National (Billions)	449	469	497	540	594	670	752	799	834	886
% Ch	6.7%	4.4%	6.0%	8.7%	10.0%	12.7%	12.2%	6.2%	4.4%	6.2%
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	434	454	525	587	641	704	756	817	900	949
% Ch	4.1%	4.5%	15.7%	11.8%	9.2%	9.8%	7.5%	8.0%	10.2%	5.5%
National (Billions)	146	157	177	192	204	215	227	238	254	269
% Ch	8.9%	7.8%	12.8%	8.3%	6.3%	5.6%	5.3%	5.0%	6.8%	5.8%
RESIDENCE ADJUSTMENT										
Idaho (Millions)	101	110	127	142	154	169	173	183	204	230
% Ch	18.4%	8.9%	14.7%	12.3%	8.6%	9.2%	2.8%	5.3%	11.8%	12.9%

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PERSONAL INCOME -- CURR \$\$

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	12,316	13,109	13,972	15,049	16,581	17,427	18,253	19,301	20,544	21,850
% Ch	5.0%	6.4%	6.6%	7.7%	10.2%	5.1%	4.7%	5.7%	6.4%	6.4%
National (Billions)	3,627	3,889	4,193	4,472	4,837	5,098	5,238	5,520	5,852	6,146
% Ch	5.9%	7.2%	7.8%	6.7%	8.2%	5.4%	2.7%	5.4%	6.0%	5.0%
FARM PROPRIETORS INCOME										
Idaho (Millions)	585	344	579	664	583	686	726	770	735	700
% Ch	17.9%	-41.1%	68.3%	14.7%	-12.2%	17.6%	6.0%	6.0%	-4.5%	-4.7%
National (Billions)	34	30	26	27	31	28	23	28	29	29
% Ch	54.4%	-13.3%	-13.9%	3.8%	15.1%	-9.7%	-17.6%	24.3%	2.9%	-1.1%
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	2,337	2,408	2,602	2,834	3,043	3,243	3,431	3,634	3,785	3,959
% Ch	3.2%	3.0%	8.0%	8.9%	7.4%	6.6%	5.8%	5.9%	4.2%	4.6%
National (Billions)	511	551	598	645	684	716	753	798	831	868
% Ch	7.4%	8.0%	8.5%	7.9%	6.0%	4.6%	5.2%	6.0%	4.1%	4.5%
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	4,650	5,044	5,471	5,325	5,551	5,672	5,786	6,202	6,640	6,964
% Ch	6.2%	8.5%	8.5%	-2.7%	4.3%	2.2%	2.0%	7.2%	7.1%	4.9%
National (Billions)	1,238	1,327	1,451	1,441	1,521	1,553	1,563	1,659	1,770	1,851
% Ch	6.3%	7.2%	9.4%	-0.7%	5.6%	2.1%	0.7%	6.1%	6.7%	4.6%
OTHER LABOR INCOME										
Idaho (Millions)	1,728	1,681	1,726	1,791	1,914	1,967	2,055	2,164	2,274	2,412
% Ch	0.8%	-2.7%	2.6%	3.8%	6.9%	2.8%	4.5%	5.3%	5.1%	6.1%
National (Billions)	490	475	491	510	534	554	575	602	628	657
% Ch	-1.4%	-3.0%	3.2%	3.9%	4.8%	3.7%	3.8%	4.6%	4.4%	4.5%
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	3,285	3,394	3,499	3,702	3,962	4,348	4,675	4,915	5,199	5,523
% Ch	9.1%	3.3%	3.1%	5.8%	7.0%	9.8%	7.5%	5.1%	5.8%	6.2%
National (Billions)	929	962	984	1,020	1,069	1,149	1,230	1,293	1,370	1,458
% Ch	4.8%	3.6%	2.2%	3.6%	4.9%	7.5%	7.1%	5.1%	6.0%	6.4%
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	987	1,045	1,102	1,186	1,279	1,330	1,383	1,457	1,546	1,638
% Ch	4.0%	5.8%	5.5%	7.6%	7.8%	4.0%	4.0%	5.4%	6.1%	6.0%
National (Billions)	280	298	316	337	358	373	381	400	423	443
% Ch	4.3%	6.2%	6.2%	6.6%	6.1%	4.4%	2.0%	5.1%	5.7%	4.7%
RESIDENCE ADJUSTMENT										
Idaho (Millions)	260	292	334	395	406	422	440	470	506	544
% Ch	12.9%	12.3%	14.2%	18.4%	2.7%	4.0%	4.4%	6.9%	7.6%	7.4%

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EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
TOTAL NONFARM EMPLOYMENT										
Idaho	328,269	333,455	348,271	366,021	385,337	398,119	416,607	436,727	461,162	477,375
% Ch	-2.3%	1.6%	4.4%	5.1%	5.3%	3.3%	4.6%	4.8%	5.6%	3.5%
National (Thousands)	99,344	101,953	105,202	107,883	109,404	108,255	108,591	110,692	114,135	117,188
% Ch	2.0%	2.6%	3.2%	2.5%	1.4%	-1.1%	0.3%	1.9%	3.1%	2.7%
GOODS PRODUCING SECTOR										
Idaho	69,607	70,343	75,620	80,312	85,479	86,523	90,496	96,083	103,291	103,403
% Ch	-5.4%	1.1%	7.5%	6.2%	6.4%	1.2%	4.6%	6.2%	7.5%	0.1%
National (Thousands)	24,536	24,673	25,123	25,253	24,909	23,749	23,232	23,351	23,906	24,275
% Ch	-1.2%	0.6%	1.8%	0.5%	-1.4%	-4.7%	-2.2%	0.5%	2.4%	1.5%
MANUFACTURING										
Idaho	52,102	54,054	58,136	60,573	62,890	63,220	65,752	69,253	71,888	71,043
% Ch	-4.7%	3.7%	7.6%	4.2%	3.8%	0.5%	4.0%	5.3%	3.8%	-1.2%
National (Thousands)	18,948	18,998	19,315	19,391	19,075	18,405	18,106	18,076	18,323	18,526
% Ch	-1.6%	0.3%	1.7%	0.4%	-1.6%	-3.5%	-1.6%	-0.2%	1.4%	1.1%
DURABLE MANUFACTURING										
Idaho	25,523	26,830	29,559	32,176	34,064	33,145	34,794	37,499	40,636	42,130
% Ch	-4.6%	5.1%	10.2%	8.9%	5.9%	-2.7%	5.0%	7.8%	8.4%	3.7%
National (Thousands)	11,195	11,154	11,363	11,394	11,107	10,568	10,279	10,222	10,448	10,684
% Ch	-2.3%	-0.4%	1.9%	0.3%	-2.5%	-4.9%	-2.7%	-0.6%	2.2%	2.3%
LUMBER & WOOD PRODUCTS										
Idaho	13,240	13,379	13,984	14,747	14,897	13,470	14,004	14,408	15,521	14,795
% Ch	-2.0%	1.1%	4.5%	5.5%	1.0%	-9.6%	4.0%	2.9%	7.7%	-4.7%
National (Thousands)	724	754	768	757	733	675	680	709	754	769
% Ch	1.8%	4.1%	1.8%	-1.4%	-3.1%	-7.9%	0.7%	4.3%	6.3%	2.0%
STONE, CLAY, GLASS, etc.										
Idaho	2,761	2,804	2,878	3,276	3,387	3,291	3,199	3,364	3,853	4,220
% Ch	-0.8%	1.6%	2.7%	13.8%	3.4%	-2.8%	-2.8%	5.2%	14.5%	9.5%
National (Thousands)	1,977	1,954	1,996	2,014	1,975	1,877	1,843	1,856	1,920	1,977
% Ch	-2.2%	-1.2%	2.2%	0.9%	-1.9%	-5.0%	-1.8%	0.7%	3.4%	3.0%
ELEC & NONELEC MACH										
Idaho	7,652	8,422	9,577	11,096	12,596	13,197	14,476	16,271	17,114	18,192
% Ch	-10.3%	10.1%	13.7%	15.9%	13.5%	4.8%	9.7%	12.4%	5.2%	6.3%
National (Thousands)	3,864	3,777	3,853	3,869	3,768	3,591	3,457	3,456	3,560	3,692
% Ch	-4.7%	-2.2%	2.0%	0.4%	-2.6%	-4.7%	-3.7%	0.0%	3.0%	3.7%
OTHER DURABLES										
Idaho	1,870	2,225	3,120	3,057	3,184	3,186	3,115	3,455	4,148	4,922
% Ch	-3.6%	19.0%	40.2%	-2.0%	4.2%	0.1%	-2.2%	10.9%	20.0%	18.7%
National (Thousands)	4,631	4,669	4,747	4,755	4,632	4,426	4,299	4,200	4,214	4,246
% Ch	-0.9%	0.8%	1.7%	0.2%	-2.6%	-4.4%	-2.9%	-2.3%	0.3%	0.7%

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EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL NONFARM EMPLOYMENT										
Idaho	492,569	508,741	521,534	539,114	559,243	569,064	572,958	582,637	595,097	607,115
% Ch	3.2%	3.3%	2.5%	3.4%	3.7%	1.8%	0.7%	1.7%	2.1%	2.0%
National (Thousands)	119,589	122,676	125,845	128,901	131,757	132,226	131,711	133,748	136,628	138,748
% Ch	2.0%	2.6%	2.6%	2.4%	2.2%	0.4%	-0.4%	1.5%	2.2%	1.6%
GOODS PRODUCING SECTOR										
Idaho	106,567	109,913	111,254	113,567	116,060	115,106	110,855	111,862	114,061	116,621
% Ch	3.1%	3.1%	1.2%	2.1%	2.2%	-0.8%	-3.7%	0.9%	2.0%	2.2%
National (Thousands)	24,491	24,960	25,414	25,507	25,713	25,128	24,061	24,242	24,854	25,174
% Ch	0.9%	1.9%	1.8%	0.4%	0.8%	-2.3%	-4.2%	0.8%	2.5%	1.3%
MANUFACTURING										
Idaho	72,905	74,613	76,124	76,132	77,191	75,547	72,600	74,922	77,420	79,498
% Ch	2.6%	2.3%	2.0%	0.0%	1.4%	-2.1%	-3.9%	3.2%	3.3%	2.7%
National (Thousands)	18,494	18,672	18,805	18,555	18,470	17,700	16,761	16,872	17,274	17,475
% Ch	-0.2%	1.0%	0.7%	-1.3%	-0.5%	-4.2%	-5.3%	0.7%	2.4%	1.2%
DURABLE MANUFACTURING										
Idaho	44,068	45,536	47,176	47,141	47,937	46,470	44,217	46,176	48,027	49,575
% Ch	4.6%	3.3%	3.6%	-0.1%	1.7%	-3.1%	-4.8%	4.4%	4.0%	3.2%
National (Thousands)	10,788	11,009	11,206	11,112	11,138	10,639	9,932	9,919	10,103	10,251
% Ch	1.0%	2.0%	1.8%	-0.8%	0.2%	-4.5%	-6.6%	-0.1%	1.8%	1.5%
LUMBER & WOOD PRODUCTS										
Idaho	14,446	14,242	13,736	13,405	12,627	11,528	10,740	10,402	10,069	9,555
% Ch	-2.4%	-1.4%	-3.6%	-2.4%	-5.8%	-8.7%	-6.8%	-3.2%	-3.2%	-5.1%
National (Thousands)	778	796	814	835	832	795	793	844	909	938
% Ch	1.1%	2.3%	2.2%	2.6%	-0.3%	-4.5%	-0.2%	6.5%	7.7%	3.1%
STONE, CLAY, GLASS, etc.										
Idaho	4,340	4,415	4,335	4,530	4,484	4,489	4,219	4,105	4,105	4,085
% Ch	2.8%	1.7%	-1.8%	4.5%	-1.0%	0.1%	-6.0%	-2.7%	0.0%	-0.5%
National (Thousands)	1,992	2,031	2,071	2,088	2,116	2,049	1,970	2,009	2,075	2,091
% Ch	0.8%	1.9%	2.0%	0.8%	1.3%	-3.1%	-3.9%	2.0%	3.3%	0.8%
ELEC & NONELEC MACH										
Idaho	20,265	21,583	23,307	23,150	24,668	24,565	23,556	25,561	27,595	29,578
% Ch	11.4%	6.5%	8.0%	-0.7%	6.6%	-0.4%	-4.1%	8.5%	8.0%	7.2%
National (Thousands)	3,775	3,857	3,914	3,808	3,839	3,626	3,229	3,033	2,969	3,048
% Ch	2.2%	2.2%	1.5%	-2.7%	0.8%	-5.5%	-10.9%	-6.1%	-2.1%	2.7%
OTHER DURABLES										
Idaho	5,017	5,297	5,797	6,057	6,157	5,888	5,702	6,108	6,258	6,357
% Ch	1.9%	5.6%	9.5%	4.5%	1.7%	-4.4%	-3.2%	7.1%	2.5%	1.6%
National (Thousands)	4,243	4,325	4,408	4,382	4,351	4,169	3,940	4,033	4,150	4,175
% Ch	-0.1%	1.9%	1.9%	-0.6%	-0.7%	-4.2%	-5.5%	2.4%	2.9%	0.6%

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EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	26,579	27,224	28,577	28,396	28,825	30,075	30,958	31,754	31,252	28,913
% Ch	-4.7%	2.4%	5.0%	-0.6%	1.5%	4.3%	2.9%	2.6%	-1.6%	-7.5%
National (Thousands)	7,753	7,845	7,952	7,997	7,968	7,837	7,827	7,854	7,875	7,842
% Ch	-0.5%	1.2%	1.4%	0.6%	-0.4%	-1.6%	-0.1%	0.4%	0.3%	-0.4%
FOOD PROCESSING										
Idaho	15,412	16,099	17,334	16,984	16,806	17,488	17,820	18,564	18,020	17,505
% Ch	-7.1%	4.5%	7.7%	-2.0%	-1.0%	4.1%	1.9%	4.2%	-2.9%	-2.9%
National (Thousands)	1,607	1,617	1,626	1,645	1,661	1,667	1,662	1,680	1,679	1,693
% Ch	0.4%	0.6%	0.6%	1.1%	1.0%	0.4%	-0.3%	1.1%	-0.1%	0.8%
CANNED, CURED, & FROZEN										
Idaho	9,867	10,612	11,331	11,225	11,065	11,747	12,094	12,532	11,706	10,865
% Ch	-9.8%	7.5%	6.8%	-0.9%	-1.4%	6.2%	3.0%	3.6%	-6.6%	-7.2%
OTHER FOOD PROCESSING										
Idaho	5,545	5,487	6,003	5,759	5,742	5,741	5,725	6,032	6,314	6,641
% Ch	-1.7%	-1.0%	9.4%	-4.1%	-0.3%	0.0%	-0.3%	5.4%	4.7%	5.2%
PAPER, PRINTING, PUBLISH.										
Idaho	5,946	6,066	6,373	6,592	6,976	7,179	7,172	7,144	7,089	7,118
% Ch	-0.6%	2.0%	5.1%	3.4%	5.8%	2.9%	-0.1%	-0.4%	-0.8%	0.4%
National (Thousands)	2,123	2,177	2,232	2,251	2,266	2,223	2,197	2,209	2,230	2,239
% Ch	1.2%	2.5%	2.5%	0.9%	0.6%	-1.9%	-1.2%	0.5%	0.9%	0.4%
CHEMICALS										
Idaho	3,335	3,273	3,536	3,523	3,554	3,903	4,277	4,250	4,135	2,345
% Ch	-6.6%	-1.9%	8.0%	-0.3%	0.9%	9.8%	9.6%	-0.6%	-2.7%	-43.3%
National (Thousands)	1,021	1,025	1,057	1,074	1,086	1,076	1,084	1,081	1,057	1,038
% Ch	-2.2%	0.4%	3.2%	1.6%	1.1%	-0.9%	0.8%	-0.3%	-2.2%	-1.8%
OTHER NONDURABLES										
Idaho	1,886	1,786	1,335	1,297	1,488	1,505	1,690	1,795	2,008	1,944
% Ch	6.9%	-5.3%	-25.3%	-2.8%	14.8%	1.1%	12.3%	6.2%	11.9%	-3.2%
National (Thousands)	3,002	3,026	3,037	3,027	2,955	2,871	2,883	2,885	2,910	2,872
% Ch	-1.6%	0.8%	0.3%	-0.3%	-2.4%	-2.9%	0.4%	0.1%	0.9%	-1.3%
MINING										
Idaho	2,893	2,568	3,280	3,673	3,873	3,086	2,605	2,199	2,419	2,726
%Ch	-24.9%	-11.2%	27.7%	12.0%	5.4%	-20.3%	-15.6%	-15.6%	10.0%	12.7%
National (Thousands)	777	717	712	691	709	689	634	609	601	581
%Ch	-16.1%	-7.7%	-0.7%	-3.0%	2.6%	-2.8%	-8.0%	-3.9%	-1.5%	-3.3%
METAL MINING										
Idaho	1,919	1,595	2,140	2,612	2,754	1,994	1,453	1,007	1,211	1,593
%Ch	-26.2%	-16.9%	34.2%	22.1%	5.5%	-27.6%	-27.1%	-30.7%	20.2%	31.6%
OTHER MINING										
Idaho	973	973	1,140	1,061	1,119	1,092	1,152	1,192	1,208	1,133
% Ch	-22.3%	0.0%	17.2%	-6.9%	5.4%	-2.4%	5.5%	3.5%	1.4%	-6.2%

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EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	28,837	29,077	28,948	28,990	29,255	29,077	28,382	28,746	29,393	29,923
% Ch	-0.3%	0.8%	-0.4%	0.1%	0.9%	-0.6%	-2.4%	1.3%	2.3%	1.8%
National (Thousands)	7,706	7,664	7,599	7,443	7,331	7,061	6,829	6,952	7,171	7,223
% Ch	-1.7%	-0.5%	-0.8%	-2.1%	-1.5%	-3.7%	-3.3%	1.8%	3.1%	0.7%
FOOD PROCESSING										
Idaho	17,465	17,659	17,289	17,293	17,254	17,324	17,250	17,419	17,557	17,658
% Ch	-0.2%	1.1%	-2.1%	0.0%	-0.2%	0.4%	-0.4%	1.0%	0.8%	0.6%
National (Thousands)	1,692	1,685	1,683	1,683	1,685	1,684	1,695	1,716	1,764	1,775
% Ch	0.0%	-0.4%	-0.1%	0.0%	0.1%	0.0%	0.6%	1.2%	2.8%	0.6%
CANNED, CURED, & FROZEN										
Idaho	10,680	10,551	9,994	9,957	9,768	9,492	9,534	9,673	9,805	9,924
% Ch	-1.7%	-1.2%	-5.3%	-0.4%	-1.9%	-2.8%	0.4%	1.5%	1.4%	1.2%
OTHER FOOD PROCESSING										
Idaho	6,785	7,108	7,295	7,336	7,485	7,832	7,716	7,746	7,753	7,734
% Ch	2.2%	4.8%	2.6%	0.6%	2.0%	4.6%	-1.5%	0.4%	0.1%	-0.2%
PAPER, PRINTING, PUBLISH.										
Idaho	7,191	7,216	7,441	7,393	7,637	7,406	7,131	7,272	7,707	8,062
% Ch	1.0%	0.3%	3.1%	-0.6%	3.3%	-3.0%	-3.7%	2.0%	6.0%	4.6%
National (Thousands)	2,224	2,235	2,242	2,220	2,204	2,127	2,034	2,099	2,213	2,271
% Ch	-0.6%	0.5%	0.3%	-1.0%	-0.7%	-3.5%	-4.4%	3.2%	5.4%	2.6%
CHEMICALS										
Idaho	2,333	2,285	2,358	2,301	2,332	2,347	2,002	1,963	1,935	1,915
% Ch	-0.5%	-2.1%	3.2%	-2.4%	1.4%	0.6%	-14.7%	-1.9%	-1.4%	-1.0%
National (Thousands)	1,034	1,036	1,043	1,035	1,038	1,033	1,004	996	1,007	999
% Ch	-0.4%	0.2%	0.7%	-0.7%	0.2%	-0.4%	-2.8%	-0.8%	1.1%	-0.8%
OTHER NONDURABLES										
Idaho	1,848	1,917	1,860	2,004	2,032	1,999	1,999	2,092	2,194	2,287
% Ch	-4.9%	3.7%	-3.0%	7.7%	1.4%	-1.6%	0.0%	4.7%	4.9%	4.2%
National (Thousands)	2,756	2,708	2,631	2,504	2,405	2,216	2,096	2,141	2,187	2,179
% Ch	-4.0%	-1.8%	-2.9%	-4.8%	-4.0%	-7.8%	-5.4%	2.2%	2.1%	-0.3%
MINING										
Idaho	3,063	3,098	2,903	2,582	2,424	2,022	1,605	1,734	1,855	1,813
%Ch	12.4%	1.2%	-6.3%	-11.1%	-6.1%	-16.6%	-20.6%	8.0%	7.0%	-2.3%
National (Thousands)	580	597	590	539	542	563	532	542	542	533
%Ch	-0.2%	2.9%	-1.1%	-8.7%	0.6%	3.8%	-5.5%	1.9%	-0.1%	-1.6%
METAL MINING										
Idaho	1,848	1,843	1,693	1,427	1,223	807	572	684	780	741
%Ch	16.0%	-0.3%	-8.1%	-15.7%	-14.3%	-34.0%	-29.1%	19.6%	14.0%	-5.0%
OTHER MINING										
Idaho	1,214	1,255	1,210	1,155	1,201	1,215	1,033	1,050	1,076	1,072
% Ch	7.2%	3.4%	-3.6%	-4.6%	4.0%	1.1%	-14.9%	1.6%	2.4%	-0.3%

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EMPLOYMENT

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	14,612	13,721	14,205	16,067	18,716	20,216	22,139	24,631	28,984	29,634
% Ch	-3.0%	-6.1%	3.5%	13.1%	16.5%	8.0%	9.5%	11.3%	17.7%	2.2%
National (Thousands)	4,810	4,958	5,096	5,171	5,125	4,655	4,492	4,665	4,982	5,168
% Ch	3.1%	3.1%	2.8%	1.5%	-0.9%	-9.2%	-3.5%	3.9%	6.8%	3.7%
SERVICE PRODUCING SECTOR										
Idaho	258,663	263,112	272,651	285,708	299,858	311,597	326,111	340,644	357,871	373,972
% Ch	-1.4%	1.7%	3.6%	4.8%	5.0%	3.9%	4.7%	4.5%	5.1%	4.5%
National (Thousands)	74,809	77,280	80,079	82,630	84,495	84,506	85,359	87,341	90,229	92,913
% Ch	3.1%	3.3%	3.6%	3.2%	2.3%	0.0%	1.0%	2.3%	3.3%	3.0%
FINANCE, INSUR, REAL ESTATE										
Idaho	18,883	19,129	19,270	19,289	19,837	20,628	21,459	22,757	24,102	24,967
% Ch	-20.2%	1.3%	0.7%	0.1%	2.8%	4.0%	4.0%	6.0%	5.9%	3.6%
National (Thousands)	6,272	6,533	6,629	6,669	6,709	6,647	6,602	6,757	6,895	6,808
% Ch	5.4%	4.2%	1.5%	0.6%	0.6%	-0.9%	-0.7%	2.3%	2.0%	-1.3%
TRANS, COMMUN, PUBLIC UTIL										
Idaho	18,282	17,920	18,487	19,257	19,788	20,031	20,342	20,879	21,876	22,704
% Ch	-5.2%	-2.0%	3.2%	4.2%	2.8%	1.2%	1.6%	2.6%	4.8%	3.8%
National (Thousands)	5,247	5,362	5,512	5,614	5,776	5,755	5,718	5,811	5,985	6,134
% Ch	0.3%	2.2%	2.8%	1.9%	2.9%	-0.4%	-0.6%	1.6%	3.0%	2.5%
TRADE										
Idaho	83,885	84,896	87,345	93,126	97,087	100,981	105,893	109,374	116,691	121,402
% Ch	-0.3%	1.2%	2.9%	6.6%	4.3%	4.0%	4.9%	3.3%	6.7%	4.0%
National (Thousands)	23,641	24,269	25,055	25,664	25,774	25,363	25,352	25,753	26,664	27,564
% Ch	2.6%	2.7%	3.2%	2.4%	0.4%	-1.6%	0.0%	1.6%	3.5%	3.4%
SERVICES										
Idaho	66,655	67,956	71,913	76,161	81,750	85,622	90,396	97,221	102,832	110,105
% Ch	2.5%	2.0%	5.8%	5.9%	7.3%	4.7%	5.6%	7.6%	5.8%	7.1%
National (Thousands)	22,957	24,109	25,500	26,904	27,930	28,335	29,047	30,193	31,575	33,115
% Ch	4.7%	5.0%	5.8%	5.5%	3.8%	1.5%	2.5%	3.9%	4.6%	4.9%
STATE & LOCAL GOVERNMENT										
Idaho	59,135	61,123	63,159	65,185	68,339	71,423	74,561	76,831	78,873	81,681
% Ch	1.3%	3.4%	3.3%	3.2%	4.8%	4.5%	4.4%	3.0%	2.7%	3.6%
National (Thousands)	13,792	14,065	14,411	14,791	15,220	15,439	15,672	15,913	16,241	16,472
% Ch	2.0%	2.0%	2.5%	2.6%	2.9%	1.4%	1.5%	1.5%	2.1%	1.4%
Idaho Education	32,844	33,423	34,575	35,604	37,268	38,840	40,453	42,014	42,721	44,846
% Ch	1.6%	1.8%	3.4%	3.0%	4.7%	4.2%	4.2%	3.9%	1.7%	5.0%
Idaho Other	26,290	27,701	28,583	29,581	31,071	32,583	34,108	34,817	36,152	36,835
% Ch	0.9%	5.4%	3.2%	3.5%	5.0%	4.9%	4.7%	2.1%	3.8%	1.9%
FEDERAL GOVERNMENT										
Idaho	11,823	12,088	12,477	12,692	13,057	12,911	13,460	13,583	13,496	13,112
% Ch	0.3%	2.2%	3.2%	1.7%	2.9%	-1.1%	4.3%	0.9%	-0.6%	-2.8%
National (Thousands)	2,899	2,943	2,972	2,989	3,086	2,967	2,968	2,914	2,870	2,821
% Ch	0.8%	1.5%	1.0%	0.6%	3.3%	-3.9%	0.0%	-1.8%	-1.5%	-1.7%

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EMPLOYMENT

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	30,599	32,202	32,227	34,853	36,444	37,537	36,649	35,206	34,785	35,310
% Ch	3.3%	5.2%	0.1%	8.1%	4.6%	3.0%	-2.4%	-3.9%	-1.2%	1.5%
National (Thousands)	5,418	5,691	6,018	6,413	6,701	6,865	6,767	6,828	7,038	7,166
% Ch	4.8%	5.1%	5.7%	6.6%	4.5%	2.5%	-1.4%	0.9%	3.1%	1.8%
SERVICE PRODUCING SECTOR										
Idaho	386,003	398,828	410,279	425,547	443,184	453,958	462,103	470,775	481,036	490,494
% Ch	3.2%	3.3%	2.9%	3.7%	4.1%	2.4%	1.8%	1.9%	2.2%	2.0%
National (Thousands)	95,098	97,716	100,431	103,394	106,045	107,098	107,650	109,506	111,774	113,573
% Ch	2.4%	2.8%	2.8%	2.9%	2.6%	1.0%	0.5%	1.7%	2.1%	1.6%
FINANCE, INSUR, REAL ESTATE										
Idaho	25,175	25,396	22,934	23,569	23,504	24,166	24,684	24,881	25,102	25,347
% Ch	0.8%	0.9%	-9.7%	2.8%	-0.3%	2.8%	2.1%	0.8%	0.9%	1.0%
National (Thousands)	6,912	7,108	7,388	7,555	7,561	7,625	7,682	7,797	7,987	8,156
% Ch	1.5%	2.8%	3.9%	2.3%	0.1%	0.8%	0.8%	1.5%	2.4%	2.1%
TRANS, COMMUN, PUBLIC UTIL										
Idaho	23,405	24,247	25,496	26,897	27,944	28,035	27,921	28,333	28,707	29,069
% Ch	3.1%	3.6%	5.2%	5.5%	3.9%	0.3%	-0.4%	1.5%	1.3%	1.3%
National (Thousands)	6,254	6,407	6,610	6,834	7,020	7,073	7,003	7,223	7,509	7,713
% Ch	2.0%	2.4%	3.2%	3.4%	2.7%	0.8%	-1.0%	3.1%	4.0%	2.7%
TRADE										
Idaho	125,178	128,993	132,591	136,235	141,073	140,992	142,109	146,005	150,546	154,765
% Ch	3.1%	3.0%	2.8%	2.7%	3.6%	-0.1%	0.8%	2.7%	3.1%	2.8%
National (Thousands)	28,076	28,615	29,097	29,761	30,329	30,507	30,397	30,475	30,924	31,218
% Ch	1.9%	1.9%	1.7%	2.3%	1.9%	0.6%	-0.4%	0.3%	1.5%	1.0%
SERVICES										
Idaho	115,975	122,620	128,741	135,733	144,991	150,597	154,939	158,652	163,316	167,355
% Ch	5.3%	5.7%	5.0%	5.4%	6.8%	3.9%	2.9%	2.4%	2.9%	2.5%
National (Thousands)	34,455	36,038	37,526	39,048	40,461	41,031	41,413	42,719	44,020	45,066
% Ch	4.0%	4.6%	4.1%	4.1%	3.6%	1.4%	0.9%	3.2%	3.0%	2.4%
STATE & LOCAL GOVERNMENT										
Idaho	83,373	84,533	87,708	90,267	92,236	97,029	99,428	99,981	100,584	101,252
% Ch	2.1%	1.4%	3.8%	2.9%	2.2%	5.2%	2.5%	0.6%	0.6%	0.7%
National (Thousands)	16,647	16,850	17,126	17,528	17,894	18,245	18,514	18,626	18,660	18,739
% Ch	1.1%	1.2%	1.6%	2.3%	2.1%	2.0%	1.5%	0.6%	0.2%	0.4%
Idaho Education	45,840	46,015	47,874	49,383	50,593	51,678	53,015	53,494	53,960	54,486
% Ch	2.2%	0.4%	4.0%	3.2%	2.5%	2.1%	2.6%	0.9%	0.9%	1.0%
Idaho Other	37,533	38,518	39,833	40,885	41,643	45,351	46,414	46,487	46,624	46,766
% Ch	1.9%	2.6%	3.4%	2.6%	1.9%	8.9%	2.3%	0.2%	0.3%	0.3%
FEDERAL GOVERNMENT										
Idaho	12,897	13,041	12,808	12,847	13,434	13,138	13,021	12,922	12,781	12,706
% Ch	-1.6%	1.1%	-1.8%	0.3%	4.6%	-2.2%	-0.9%	-0.8%	-1.1%	-0.6%
National (Thousands)	2,755	2,698	2,685	2,668	2,780	2,618	2,640	2,666	2,674	2,682
% Ch	-2.3%	-2.1%	-0.5%	-0.6%	4.2%	-5.8%	0.9%	1.0%	0.3%	0.3%

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MISCELLANEOUS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	448.0	423.0	456.2	524.2	553.0	590.9	667.9	723.9	766.2	835.6
% Ch	7.1%	-5.6%	7.8%	14.9%	5.5%	6.8%	13.0%	8.4%	5.8%	9.1%
National (Billions)	87.6	83.9	91.6	98.3	111.4	131.6	149.1	162.6	174.5	184.5
% Ch	8.4%	-4.3%	9.2%	7.3%	13.3%	18.1%	13.3%	9.1%	7.3%	5.7%
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	75.3	77.6	80.2	83.3	86.5	89.7	91.8	94.1	96.0	98.1
% Ch	2.2%	3.0%	3.4%	3.8%	3.9%	3.6%	2.4%	2.4%	2.1%	2.2%
Consumption Expenditures	72.7	75.5	78.4	81.9	85.6	88.9	91.6	93.8	95.7	97.9
% Ch	2.4%	3.8%	3.9%	4.4%	4.6%	3.8%	3.1%	2.4%	2.0%	2.3%
Durable Goods	89.7	92.2	93.5	95.1	96.0	97.4	98.3	99.1	100.6	101.1
% Ch	1.2%	2.8%	1.4%	1.8%	0.9%	1.4%	0.9%	0.8%	1.5%	0.5%
Nondurable Goods	77.0	79.7	82.3	86.3	91.0	93.8	95.2	96.1	96.8	97.9
% Ch	-0.4%	3.4%	3.4%	4.8%	5.5%	3.1%	1.5%	1.0%	0.7%	1.1%
Services	67.3	70.2	73.6	77.1	80.9	84.8	88.5	91.6	94.2	97.3
% Ch	4.6%	4.3%	4.9%	4.8%	5.0%	4.8%	4.3%	3.5%	2.8%	3.3%
Cons. Price Index (1982-84)	109.7	113.6	118.3	123.9	130.7	136.2	140.3	144.5	148.2	152.4
% Ch	1.9%	3.6%	4.1%	4.8%	5.4%	4.2%	3.0%	3.0%	2.6%	2.8%
SELECTED INTEREST RATES										
Federal Funds	6.8%	6.7%	7.6%	9.2%	8.1%	5.7%	3.5%	3.0%	4.2%	5.8%
Prime	8.3%	8.2%	9.3%	10.9%	10.0%	8.5%	6.3%	6.0%	7.1%	8.8%
Existing Home Mortgage	10.3%	9.3%	9.3%	10.1%	10.0%	9.3%	8.1%	7.2%	7.5%	7.8%
U.S. Govt. 3-Month Bills	6.0%	5.8%	6.7%	8.1%	7.5%	5.4%	3.4%	3.0%	4.2%	5.5%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	90.3	95.0	95.2	94.4	92.0	85.6	90.6	91.3	95.9	97.7
% Ch	8.3%	5.3%	0.2%	-0.8%	-2.6%	-6.9%	5.8%	0.8%	5.1%	1.9%
Office & Computer Equip.	17.2	20.0	24.0	26.7	26.2	26.5	32.1	39.8	50.0	69.7
% Ch	6.7%	15.9%	19.9%	11.2%	-1.9%	1.1%	21.4%	23.8%	25.8%	39.3%
Electrical Machinery	34.4	36.7	40.0	41.6	42.5	43.4	48.5	53.2	63.6	80.2
% Ch	3.7%	6.6%	9.1%	3.9%	2.3%	2.1%	11.6%	9.8%	19.6%	26.0%
Electronic Components	12.6	14.8	16.7	18.6	20.5	23.0	28.5	32.7	43.3	67.4
% Ch	7.3%	17.4%	12.7%	11.5%	10.4%	12.2%	23.7%	14.7%	32.5%	55.4%
Food	86.5	88.8	90.1	91.0	92.1	93.4	94.9	96.8	98.3	100.3
% Ch	2.6%	2.6%	1.4%	1.1%	1.2%	1.4%	1.6%	2.0%	1.6%	2.0%
Paper	82.7	85.1	87.8	89.3	89.9	90.6	93.6	96.8	100.2	100.8
% Ch	5.3%	3.0%	3.1%	1.7%	0.6%	0.8%	3.3%	3.4%	3.5%	0.6%
Agricultural Chemicals	73.0	82.6	87.9	95.0	98.1	95.4	97.7	98.5	98.2	98.0
% Ch	-7.4%	13.1%	6.4%	8.1%	3.3%	-2.8%	2.5%	0.8%	-0.3%	-0.2%
Metals & Minerals Mining	70.1	73.3	80.3	85.1	89.2	86.2	90.5	91.3	95.1	98.0
% Ch	1.0%	4.5%	9.5%	6.0%	4.8%	-3.3%	5.0%	0.8%	4.2%	3.0%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

APRIL 2002

MISCELLANEOUS

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	910.5	907.1	951.3	1,044.2	1,115.7	1,243.7	1,418.9	1,488.3	1,559.9	1,652.2
% Ch	9.0%	-0.4%	4.9%	9.8%	6.8%	11.5%	14.1%	4.9%	4.8%	5.9%
National (Billions)	190.4	196.8	210.3	230.5	245.6	274.2	314.4	329.9	346.1	367.1
% Ch	3.2%	3.3%	6.8%	9.6%	6.6%	11.6%	14.7%	4.9%	4.9%	6.0%
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	100.0	101.9	103.2	104.7	107.0	109.4	111.0	113.5	116.1	118.8
% Ch	1.9%	1.9%	1.2%	1.4%	2.3%	2.2%	1.5%	2.2%	2.3%	2.3%
Consumption Expenditures	100.0	101.9	103.0	104.7	107.5	109.5	110.9	113.5	116.3	119.1
% Ch	2.1%	1.9%	1.1%	1.6%	2.7%	1.9%	1.2%	2.4%	2.5%	2.4%
Durable Goods	100.0	97.7	95.4	93.0	91.5	89.8	88.4	88.8	89.0	89.3
% Ch	-1.0%	-2.3%	-2.4%	-2.5%	-1.6%	-1.8%	-1.6%	0.5%	0.2%	0.3%
Nondurable Goods	100.0	101.3	101.3	103.7	107.6	109.1	108.7	110.6	112.9	115.2
% Ch	2.1%	1.3%	0.0%	2.3%	3.7%	1.5%	-0.4%	1.7%	2.1%	2.0%
Services	100.0	103.1	105.5	107.8	111.1	114.2	117.3	120.8	124.5	128.3
% Ch	2.8%	3.1%	2.3%	2.2%	3.1%	2.8%	2.7%	3.0%	3.1%	3.1%
Cons. Price Index (1982-84)	156.9	160.5	163.0	166.6	172.2	177.1	180.2	184.9	189.8	194.8
% Ch	2.9%	2.3%	1.5%	2.2%	3.4%	2.8%	1.8%	2.6%	2.6%	2.7%
SELECTED INTEREST RATES										
Federal Funds	5.3%	5.5%	5.4%	5.0%	6.2%	3.9%	2.0%	4.0%	5.0%	5.0%
Prime	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%	5.0%	7.0%	8.0%	8.0%
Existing Home Mortgage	7.7%	7.7%	7.1%	7.3%	8.0%	7.0%	7.3%	7.5%	7.6%	7.4%
U.S. Govt. 3-Month Bills	5.0%	5.1%	4.8%	4.6%	5.8%	3.4%	1.9%	3.7%	4.6%	4.6%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	100.0	102.4	106.3	110.5	107.6	102.4	103.2	105.6	108.3	110.0
% Ch	2.3%	2.4%	3.8%	3.9%	-2.7%	-4.8%	0.8%	2.3%	2.5%	1.6%
Office & Computer Equip.	100.0	140.8	192.2	258.5	343.8	351.7	387.2	504.9	629.5	750.1
% Ch	43.5%	40.8%	36.5%	34.5%	33.0%	2.3%	10.1%	30.4%	24.7%	19.2%
Electrical Machinery	100.0	129.3	162.1	199.4	260.1	245.1	252.4	315.2	374.8	431.1
% Ch	24.6%	29.3%	25.4%	23.0%	30.5%	-5.8%	3.0%	24.9%	18.9%	15.0%
Electronic Components	100.0	151.7	227.5	327.1	502.6	479.6	527.8	698.7	859.3	1,014.2
% Ch	48.4%	51.7%	49.9%	43.8%	53.6%	-4.6%	10.1%	32.4%	23.0%	18.0%
Food	100.0	101.7	105.0	106.3	108.0	107.2	108.6	110.1	111.5	112.5
% Ch	-0.3%	1.7%	3.2%	1.2%	1.6%	-0.7%	1.3%	1.4%	1.2%	1.0%
Paper	100.0	105.1	106.6	107.6	106.7	101.2	98.5	102.4	105.9	108.4
% Ch	-0.8%	5.1%	1.4%	1.0%	-0.8%	-5.1%	-2.7%	4.0%	3.4%	2.4%
Agricultural Chemicals	100.0	104.3	107.4	102.4	95.5	90.7	94.6	95.5	96.2	97.6
% Ch	2.1%	4.3%	3.0%	-4.7%	-6.7%	-5.1%	4.4%	0.9%	0.7%	1.5%
Metals & Minerals Mining	100.0	104.4	105.9	105.4	106.0	103.9	100.0	103.2	106.9	110.8
% Ch	2.1%	4.4%	1.5%	-0.5%	0.6%	-2.0%	-3.8%	3.3%	3.5%	3.7%

National Variables Forecast by DRI*WEFA
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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

APRIL 2002

DEMOGRAPHICS

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,243.5	1,249.1	1,254.5	1,260.2	1,265.4	1,270.8	1,275.6	1,280.7	1,286.0	1,291.0	1,295.2	1,299.5
% Ch	1.8%	1.8%	1.7%	1.8%	1.7%	1.7%	1.5%	1.6%	1.7%	1.6%	1.3%	1.3%
National (Millions)	272.3	272.9	273.6	274.2	274.8	275.4	276.0	276.6	277.2	277.9	278.5	279.1
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	19.668	19.822	19.969	20.127	20.083	20.239	20.374	20.521	20.577	20.657	20.705	20.759
% Ch	3.1%	3.2%	3.0%	3.2%	-0.9%	3.1%	2.7%	2.9%	1.1%	1.6%	0.9%	1.0%
National (Thousands)	3,876	3,874	3,873	3,873	3,872	3,872	3,872	3,873	3,874	3,875	3,877	3,879
% Ch	-0.1%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.1%	0.1%	0.1%	0.2%	0.2%
DEATHS												
Idaho (Thousands)	9.389	9.430	9.520	9.612	9.448	9.509	9.567	9.627	9.589	9.628	9.663	9.698
% Ch	10.4%	1.8%	3.9%	3.9%	-6.7%	2.6%	2.5%	2.5%	-1.6%	1.7%	1.4%	1.5%
National (Thousands)	2,389	2,396	2,402	2,409	2,415	2,421	2,427	2,433	2,438	2,443	2,449	2,454
% Ch	1.2%	1.1%	1.1%	1.0%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
NET MIGRATION												
Idaho (Thousands)	11.321	12.008	11.151	12.285	10.165	10.870	8.393	9.506	10.397	8.955	5.544	6.093
HOUSING												
HOUSING STARTS												
Idaho	10,054	10,213	10,630	10,450	11,386	11,481	11,812	11,433	13,177	13,084	11,528	10,929
% Ch	-19.1%	6.5%	17.4%	-6.6%	40.9%	3.4%	12.0%	-12.2%	76.4%	-2.8%	-39.7%	-19.2%
National (Millions)	1.709	1.574	1.651	1.655	1.668	1.586	1.505	1.539	1.627	1.623	1.601	1.571
% Ch	-3.0%	-28.0%	20.9%	1.0%	3.3%	-18.3%	-18.9%	9.3%	24.8%	-0.9%	-5.3%	-7.4%
SINGLE UNITS												
Idaho	9,250	9,318	9,052	9,149	10,294	10,036	10,642	10,550	10,607	11,018	10,149	9,552
% Ch	-11.0%	3.0%	-10.9%	4.4%	60.2%	-9.6%	26.4%	-3.4%	2.2%	16.4%	-28.0%	-21.5%
National (Millions)	1.337	1.266	1.286	1.335	1.287	1.234	1.191	1.221	1.277	1.291	1.275	1.256
% Ch	-7.8%	-19.6%	6.6%	16.1%	-13.7%	-15.4%	-13.4%	10.6%	19.8%	4.2%	-4.7%	-5.9%
MULTIPLE UNITS												
Idaho	804	895	1,578	1,301	1,092	1,445	1,169	883	2,570	2,065	1,379	1,377
% Ch	-69.1%	53.6%	868.0%	-53.8%	-50.3%	206.8%	-57.2%	-67.5%	7083.0%	-58.3%	-80.1%	-0.6%
National (Millions)	0.372	0.308	0.364	0.319	0.381	0.352	0.315	0.318	0.350	0.333	0.326	0.315
% Ch	17.0%	-53.0%	94.9%	-41.0%	103.3%	-27.4%	-36.1%	4.7%	45.6%	-18.1%	-7.8%	-12.8%
HOUSING STOCK												
Idaho (Thousands)	407.8	410.1	412.4	414.7	417.3	419.8	422.5	425.0	428.0	430.9	433.5	435.9
% Ch	2.2%	2.2%	2.3%	2.3%	2.5%	2.5%	2.5%	2.4%	2.8%	2.8%	2.4%	2.2%

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

APRIL 2002

DEMOGRAPHICS

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION	1,303.3	1,306.6	1,310.5	1,314.1	1,318.0	1,321.8	1,325.2	1,328.5	1,331.9	1,335.2	1,338.6	1,341.9
Idaho (Thousands)	1.2%	1.0%	1.2%	1.1%	1.2%	1.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
% Ch	279.7	280.4	281.0	281.6	282.2	282.9	283.5	284.1	284.7	285.3	285.9	286.6
National (Millions)	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
% Ch												
BIRTHS	20.794	20.808	20.849	20.877	20.922	20.968	21.011	21.053	21.096	21.138	21.181	21.224
Idaho (Thousands)	0.7%	0.3%	0.8%	0.5%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
% Ch	3,881	3,883	3,886	3,890	3,894	3,898	3,903	3,909	3,915	3,921	3,928	3,935
National (Thousands)	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%	0.6%	0.6%	0.7%	0.8%
% Ch												
DEATHS	9.730	9.759	9.792	9.824	9.856	9.889	9.918	9.948	9.977	10.007	10.036	10.066
Idaho (Thousands)	1.3%	1.2%	1.4%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
% Ch	2,459	2,465	2,470	2,475	2,480	2,485	2,490	2,495	2,499	2,504	2,510	2,515
National (Thousands)	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
% Ch												
NET MIGRATION	4.266	1.916	4.805	3.478	4.148	4.276	2.384	2.208	2.377	2.263	2.263	2.297
Idaho (Thousands)												
HOUSING												
HOUSING STARTS	10,833	10,853	10,638	10,418	10,311	10,170	10,109	10,082	10,049	10,039	10,005	9,983
Idaho	-3.5%	0.8%	-7.7%	-8.0%	-4.0%	-5.4%	-2.4%	-1.1%	-1.3%	-0.4%	-1.3%	-0.9%
% Ch	1,613	1,558	1,571	1,559	1,545	1,540	1,538	1,556	1,589	1,623	1,642	1,650
National (Millions)	11.1%	-13.0%	3.4%	-2.9%	-3.7%	-1.3%	-0.6%	4.9%	8.8%	8.7%	4.7%	1.9%
% Ch												
SINGLE UNITS	9,498	9,559	9,413	9,289	9,228	9,144	9,118	9,123	9,119	9,137	9,128	9,118
Idaho	-2.2%	2.6%	-6.0%	-5.2%	-2.6%	-3.6%	-1.2%	0.2%	-0.2%	0.8%	-0.4%	-0.5%
% Ch	1,296	1,258	1,272	1,272	1,273	1,270	1,268	1,278	1,290	1,305	1,314	1,319
National (Millions)	13.5%	-11.4%	4.5%	0.2%	0.5%	-1.1%	-0.8%	3.2%	3.9%	4.7%	2.7%	1.7%
% Ch												
MULTIPLE UNITS	1,334	1,294	1,225	1,129	1,083	1,025	991	959	930	902	877	866
Idaho	-11.8%	-11.6%	-19.7%	-27.8%	-15.3%	-19.6%	-12.6%	-12.4%	-11.7%	-11.3%	-10.6%	-5.3%
% Ch	0.317	0.300	0.299	0.287	0.271	0.270	0.270	0.278	0.299	0.318	0.328	0.330
National (Millions)	2.1%	-19.4%	-1.0%	-15.0%	-20.5%	-2.2%	0.2%	13.1%	33.4%	27.5%	13.1%	2.9%
% Ch												
HOUSING STOCK												
Idaho (Thousands)	438.3	440.7	443.0	445.3	447.5	449.7	451.9	454.1	456.3	458.4	460.6	462.7
% Ch	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%	1.9%	1.9%	1.9%

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Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

APRIL 2002

OUTPUT, INCOME, & WAGES

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	9,093	9,161	9,297	9,523	9,669	9,858	9,938	10,028	10,142	10,203	10,225	10,253
% Ch	4.9%	3.0%	6.1%	10.0%	6.3%	8.0%	3.3%	3.7%	4.6%	2.4%	0.9%	1.1%
1996 Chain-Weighted	8,733	8,771	8,871	9,050	9,102	9,229	9,260	9,304	9,334	9,342	9,310	9,343
% Ch	3.1%	1.7%	4.7%	8.3%	2.3%	5.7%	1.3%	1.9%	1.3%	0.3%	-1.3%	1.4%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	27,940	28,290	28,755	29,304	29,880	30,684	30,968	31,504	31,707	32,411	32,697	32,923
% Ch	4.3%	5.1%	6.7%	7.9%	8.1%	11.2%	3.8%	7.1%	2.6%	9.2%	3.6%	2.8%
Idaho Nonfarm (Millions)	26,940	27,283	27,748	28,336	28,995	29,764	29,899	30,530	30,671	31,302	31,587	31,819
% Ch	4.4%	5.2%	7.0%	8.7%	9.6%	11.0%	1.8%	8.7%	1.9%	8.5%	3.7%	3.0%
National (Billions)	7,631	7,720	7,819	7,939	8,104	8,271	8,382	8,520	8,640	8,715	8,772	8,769
% Ch	3.0%	4.7%	5.2%	6.3%	8.6%	8.5%	5.5%	6.8%	5.8%	3.5%	2.7%	-0.1%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	26,896	27,096	27,390	27,746	28,016	28,620	28,715	29,071	29,028	29,575	29,852	30,005
% Ch	2.9%	3.0%	4.4%	5.3%	4.0%	8.9%	1.3%	5.1%	-0.6%	7.7%	3.8%	2.1%
Idaho Nonfarm (Millions)	25,934	26,132	26,431	26,829	27,186	27,762	27,724	28,172	28,080	28,563	28,839	28,998
% Ch	3.0%	3.1%	4.7%	6.2%	5.4%	8.7%	-0.6%	6.6%	-1.3%	7.1%	3.9%	2.2%
National (Billions)	7,347	7,394	7,448	7,518	7,599	7,716	7,772	7,862	7,911	7,952	8,009	7,992
% Ch	1.6%	2.6%	3.0%	3.8%	4.4%	6.3%	3.0%	4.7%	2.5%	2.1%	2.9%	-0.9%
PER CAPITA PERS INC - CURR \$												
Idaho	22,469	22,648	22,921	23,253	23,613	24,145	24,277	24,599	24,655	25,105	25,245	25,336
% Ch	2.5%	3.2%	4.9%	5.9%	6.3%	9.3%	2.2%	5.4%	0.9%	7.5%	2.3%	1.4%
National	28,022	28,283	28,582	28,959	29,496	30,036	30,368	30,799	31,164	31,362	31,497	31,416
% Ch	2.1%	3.8%	4.3%	5.4%	7.6%	7.5%	4.5%	5.8%	4.8%	2.6%	1.7%	-1.0%
PER CAPITA PERS INC - 1996 \$												
Idaho	21,629	21,693	21,834	22,017	22,140	22,521	22,511	22,699	22,572	22,907	23,048	23,090
% Ch	1.1%	1.2%	2.6%	3.4%	2.3%	7.1%	-0.2%	3.4%	-2.2%	6.1%	2.5%	0.7%
National	26,978	27,091	27,229	27,421	27,657	28,019	28,161	28,423	28,534	28,618	28,759	28,633
% Ch	0.7%	1.7%	2.1%	2.8%	3.5%	5.3%	2.0%	3.8%	1.6%	1.2%	2.0%	-1.7%
AVERAGE ANNUAL WAGE												
Idaho	26,360	26,713	27,199	27,630	28,187	28,759	28,429	29,238	28,751	29,603	29,895	30,119
% Ch	2.1%	5.5%	7.5%	6.5%	8.3%	8.4%	-4.5%	11.9%	-6.5%	12.4%	4.0%	3.0%
National	34,103	34,464	34,917	35,284	35,896	36,388	36,958	37,600	38,092	38,494	38,709	38,936
% Ch	2.8%	4.3%	5.4%	4.3%	7.1%	5.6%	6.4%	7.1%	5.3%	4.3%	2.3%	2.4%

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

APRIL 2002

OUTPUT, INCOME, & WAGES

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	10,346	10,476	10,574	10,747	10,937	11,103	11,260	11,424	11,624	11,793	11,950	12,106
% Ch	3.7%	5.1%	3.8%	6.7%	7.3%	6.2%	5.8%	6.0%	7.2%	6.0%	5.4%	5.4%
1996 Chain-Weighted	9,376	9,446	9,505	9,609	9,712	9,810	9,891	9,983	10,098	10,186	10,258	10,334
% Ch	1.5%	3.0%	2.5%	4.5%	4.4%	4.1%	3.4%	3.8%	4.7%	3.6%	2.9%	3.0%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	33,403	33,751	34,179	34,602	35,155	35,732	36,321	36,787	37,309	37,870	38,457	38,908
% Ch	6.0%	4.2%	5.2%	5.0%	6.5%	6.7%	6.8%	5.2%	5.8%	6.2%	6.3%	4.8%
Idaho Nonfarm (Millions)	32,288	32,635	33,064	33,487	34,023	34,561	35,111	35,639	36,235	36,738	37,253	37,752
% Ch	6.0%	4.4%	5.4%	5.2%	6.6%	6.5%	6.5%	6.2%	6.9%	5.7%	5.7%	5.5%
National (Billions)	8,860	8,948	9,046	9,151	9,296	9,433	9,570	9,700	9,861	9,997	10,126	10,246
% Ch	4.2%	4.0%	4.5%	4.7%	6.5%	6.0%	5.9%	5.6%	6.8%	5.7%	5.3%	4.8%
PERSONAL INCOME - 1996 \$												
Idaho (Millions)	30,346	30,516	30,774	30,949	31,238	31,581	31,904	32,124	32,388	32,672	32,962	33,144
% Ch	4.6%	2.3%	3.4%	2.3%	3.8%	4.5%	4.2%	2.8%	3.3%	3.5%	3.6%	2.2%
Idaho Nonfarm (Millions)	29,333	29,508	29,770	29,952	30,232	30,546	30,841	31,122	31,456	31,695	31,930	32,159
% Ch	4.7%	2.4%	3.6%	2.5%	3.8%	4.2%	3.9%	3.7%	4.4%	3.1%	3.0%	2.9%
National (Billions)	8,049	8,091	8,145	8,185	8,260	8,337	8,406	8,470	8,560	8,625	8,679	8,728
% Ch	2.9%	2.1%	2.7%	2.0%	3.7%	3.8%	3.4%	3.1%	4.3%	3.1%	2.5%	2.3%
PER CAPITA PERS INC - CURR \$												
Idaho	25,629	25,832	26,081	26,330	26,674	27,033	27,409	27,691	28,013	28,363	28,730	28,994
% Ch	4.7%	3.2%	3.9%	3.9%	5.3%	5.5%	5.7%	4.2%	4.7%	5.1%	5.3%	3.7%
National	31,672	31,915	32,194	32,493	32,935	33,348	33,758	34,143	34,633	35,036	35,412	35,755
% Ch	3.3%	3.1%	3.6%	3.8%	5.5%	5.1%	5.0%	4.6%	5.9%	4.7%	4.4%	3.9%
PER CAPITA PERS INC - 1996 \$												
Idaho	23,283	23,356	23,482	23,551	23,702	23,892	24,076	24,181	24,318	24,469	24,625	24,699
% Ch	3.4%	1.3%	2.2%	1.2%	2.6%	3.3%	3.1%	1.8%	2.3%	2.5%	2.6%	1.2%
National	28,773	28,856	28,987	29,063	29,266	29,474	29,653	29,815	30,065	30,227	30,352	30,459
% Ch	2.0%	1.2%	1.8%	1.1%	2.8%	2.9%	2.5%	2.2%	3.4%	2.2%	1.7%	1.4%
AVERAGE ANNUAL WAGE												
Idaho	30,387	30,661	30,954	31,241	31,552	31,886	32,234	32,589	32,934	33,264	33,619	33,971
% Ch	3.6%	3.7%	3.9%	3.8%	4.0%	4.3%	4.4%	4.5%	4.3%	4.1%	4.3%	4.3%
National	39,246	39,616	39,944	40,264	40,688	41,069	41,459	41,850	42,271	42,654	43,017	43,374
% Ch	3.2%	3.8%	3.4%	3.2%	4.3%	3.8%	3.9%	3.8%	4.1%	3.7%	3.5%	3.4%

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PERSONAL INCOME -- CURR \$\$

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	14,523	14,831	15,236	15,604	16,085	16,603	16,555	17,079	16,944	17,449	17,588	17,729
% Ch	5.2%	8.8%	11.4%	10.0%	12.9%	13.5%	-1.2%	13.3%	-3.1%	12.5%	3.2%	3.2%
National (Billions)	4,358	4,429	4,512	4,591	4,702	4,798	4,876	4,973	5,049	5,100	5,123	5,120
% Ch	5.4%	6.7%	7.7%	7.2%	10.0%	8.4%	6.6%	8.2%	6.3%	4.0%	1.9%	-0.3%
FARM PROPRIETORS INCOME												
Idaho (Millions)	668	679	676	633	525	545	682	580	636	699	690	717
% Ch	5.6%	6.8%	-1.8%	-23.1%	-52.7%	16.1%	145.2%	-47.7%	44.6%	45.9%	-5.1%	16.8%
National (Billions)	27	28	25	26	27	32	32	32	30	29	32	20
% Ch	-7.6%	1.7%	-29.6%	17.2%	4.7%	124.3%	-9.6%	0.9%	-21.8%	-14.3%	59.5%	-86.2%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	2,761	2,814	2,856	2,905	2,986	3,051	3,051	3,082	3,167	3,238	3,283	3,285
% Ch	15.7%	7.9%	6.1%	7.0%	11.6%	9.0%	0.0%	4.1%	11.5%	9.3%	5.7%	0.3%
National (Billions)	626	640	652	664	671	685	688	693	705	717	720	721
% Ch	6.6%	9.8%	7.4%	7.3%	4.6%	8.9%	1.3%	3.4%	7.0%	6.5%	2.2%	0.3%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	5,350	5,292	5,276	5,381	5,416	5,514	5,630	5,645	5,679	5,665	5,678	5,666
% Ch	-9.8%	-4.3%	-1.2%	8.2%	2.6%	7.4%	8.7%	1.1%	2.4%	-1.0%	0.9%	-0.8%
National (Billions)	1,439	1,434	1,434	1,456	1,486	1,515	1,533	1,551	1,555	1,552	1,555	1,549
% Ch	-7.4%	-1.5%	0.1%	6.4%	8.5%	7.8%	5.1%	4.8%	1.0%	-0.9%	0.9%	-1.7%
OTHER LABOR INCOME												
Idaho (Millions)	1,771	1,779	1,785	1,828	1,866	1,910	1,927	1,952	1,943	1,966	1,974	1,987
% Ch	5.9%	1.8%	1.4%	10.0%	8.6%	9.8%	3.6%	5.3%	-1.8%	4.8%	1.6%	2.6%
National (Billions)	503	507	512	517	524	530	538	545	549	552	555	559
% Ch	4.2%	3.7%	3.6%	3.6%	5.6%	5.0%	6.0%	5.3%	3.2%	2.2%	2.3%	2.3%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	3,635	3,683	3,725	3,765	3,851	3,945	3,990	4,061	4,227	4,301	4,404	4,461
% Ch	11.7%	5.4%	4.6%	4.4%	9.5%	10.1%	4.6%	7.3%	17.4%	7.2%	9.9%	5.2%
National (Billions)	1,009	1,016	1,023	1,030	1,046	1,066	1,075	1,089	1,123	1,139	1,159	1,174
% Ch	8.2%	3.1%	2.7%	2.7%	6.5%	7.9%	3.2%	5.5%	13.1%	5.9%	7.1%	5.1%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,151	1,173	1,199	1,222	1,255	1,285	1,273	1,303	1,301	1,334	1,340	1,346
% Ch	10.0%	7.9%	9.2%	7.9%	11.2%	9.9%	-3.7%	9.8%	-0.6%	10.5%	1.8%	2.0%
National (Billions)	330	335	340	344	351	356	359	364	372	374	374	373
% Ch	10.0%	5.5%	6.0%	5.2%	8.9%	5.2%	4.1%	5.3%	9.0%	2.1%	0.3%	-1.5%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	383	384	401	411	407	401	406	408	413	428	421	425
% Ch	59.1%	1.0%	18.9%	10.4%	-3.8%	-5.8%	5.1%	2.0%	5.0%	15.3%	-6.4%	3.9%

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PERSONAL INCOME -- CURR \$\$

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	17,937	18,127	18,360	18,585	18,850	19,133	19,453	19,768	20,084	20,389	20,705	20,997
% Ch	4.8%	4.3%	5.3%	5.0%	5.8%	6.1%	6.9%	6.7%	6.5%	6.2%	6.3%	5.8%
National (Billions)	5,152	5,208	5,264	5,328	5,403	5,478	5,558	5,641	5,733	5,817	5,892	5,965
% Ch	2.5%	4.4%	4.4%	4.9%	5.8%	5.7%	6.0%	6.1%	6.7%	6.0%	5.3%	5.0%
FARM PROPRIETORS INCOME												
Idaho (Millions)	727	724	726	728	740	777	812	752	679	728	790	744
% Ch	5.8%	-2.1%	1.5%	0.9%	6.4%	21.8%	19.4%	-26.6%	-33.5%	32.6%	38.3%	-21.1%
National (Billions)	20	23	24	24	27	29	30	27	27	29	32	29
% Ch	4.7%	80.8%	17.3%	1.1%	58.5%	25.3%	22.3%	-29.8%	-10.8%	36.0%	42.1%	-25.0%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,353	3,414	3,451	3,505	3,563	3,623	3,659	3,690	3,736	3,769	3,799	3,835
% Ch	8.5%	7.4%	4.5%	6.3%	6.8%	6.9%	4.0%	3.5%	5.1%	3.5%	3.2%	3.9%
National (Billions)	736	749	758	770	783	796	804	811	820	827	834	841
% Ch	8.6%	7.5%	4.5%	6.4%	6.9%	7.0%	4.0%	3.5%	5.0%	3.4%	3.0%	3.8%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	5,689	5,740	5,821	5,895	6,007	6,145	6,277	6,379	6,492	6,603	6,693	6,771
% Ch	1.7%	3.6%	5.7%	5.2%	7.8%	9.5%	8.9%	6.7%	7.3%	7.0%	5.6%	4.7%
National (Billions)	1,549	1,552	1,568	1,583	1,609	1,645	1,678	1,703	1,731	1,760	1,784	1,804
% Ch	0.1%	0.8%	4.2%	3.8%	6.9%	9.0%	8.3%	6.1%	6.9%	6.9%	5.5%	4.6%
OTHER LABOR INCOME												
Idaho (Millions)	2,020	2,040	2,069	2,092	2,120	2,148	2,179	2,208	2,239	2,253	2,286	2,316
% Ch	6.8%	4.2%	5.7%	4.5%	5.4%	5.5%	5.9%	5.5%	5.7%	2.5%	6.1%	5.4%
National (Billions)	566	572	578	584	591	598	605	612	621	624	631	638
% Ch	5.6%	4.1%	4.5%	4.1%	5.1%	4.7%	4.7%	4.7%	5.6%	2.1%	4.7%	4.4%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	4,606	4,644	4,699	4,753	4,844	4,886	4,935	4,995	5,099	5,161	5,231	5,303
% Ch	13.7%	3.3%	4.9%	4.7%	7.8%	3.6%	4.1%	5.0%	8.6%	4.9%	5.5%	5.6%
National (Billions)	1,212	1,222	1,236	1,249	1,274	1,285	1,298	1,315	1,343	1,360	1,379	1,398
% Ch	13.7%	3.3%	4.8%	4.3%	8.2%	3.4%	4.2%	5.1%	8.9%	5.1%	5.7%	5.7%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,361	1,374	1,391	1,406	1,425	1,445	1,468	1,491	1,513	1,535	1,557	1,578
% Ch	4.3%	4.0%	4.9%	4.6%	5.4%	5.8%	6.5%	6.3%	6.2%	5.8%	6.0%	5.4%
National (Billions)	375	379	382	387	392	397	403	408	415	420	426	431
% Ch	2.1%	4.2%	4.1%	4.6%	5.5%	5.4%	5.7%	5.8%	6.4%	5.7%	5.0%	4.7%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	431	437	443	450	457	466	475	484	493	502	511	519
% Ch	5.8%	5.2%	6.3%	6.0%	6.9%	7.3%	8.2%	7.9%	7.7%	7.3%	7.5%	6.8%

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EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	531,867	536,479	541,669	546,442	551,666	558,223	562,446	564,639	569,065	569,410	568,615	569,167
% Ch	3.2%	3.5%	3.9%	3.6%	3.9%	4.8%	3.1%	1.6%	3.2%	0.2%	-0.6%	0.4%
National (Thousands)	127,775	128,503	129,217	130,107	130,984	131,854	131,927	132,264	132,559	132,483	132,358	131,502
% Ch	2.5%	2.3%	2.2%	2.8%	2.7%	2.7%	0.2%	1.0%	0.9%	-0.2%	-0.4%	-2.6%
GOODS PRODUCING SECTOR												
Idaho	112,316	112,971	114,210	114,772	115,633	115,996	116,015	116,596	117,759	115,969	114,321	112,375
% Ch	3.2%	2.4%	4.5%	2.0%	3.0%	1.3%	0.1%	2.0%	4.0%	-5.9%	-5.6%	-6.6%
National (Thousands)	25,475	25,480	25,505	25,568	25,704	25,711	25,732	25,704	25,621	25,310	24,991	24,590
% Ch	0.0%	0.1%	0.4%	1.0%	2.1%	0.1%	0.3%	-0.4%	-1.3%	-4.8%	-5.0%	-6.3%
MANUFACTURING												
Idaho	75,688	75,950	76,523	76,365	76,675	77,161	77,143	77,787	77,708	76,088	74,872	73,519
% Ch	-0.6%	1.4%	3.1%	-0.8%	1.6%	2.6%	-0.1%	3.4%	-0.4%	-8.1%	-6.2%	-7.0%
National (Thousands)	18,637	18,562	18,525	18,496	18,504	18,510	18,487	18,378	18,188	17,882	17,556	17,174
% Ch	-1.6%	-1.6%	-0.8%	-0.6%	0.2%	0.1%	-0.5%	-2.3%	-4.1%	-6.6%	-7.1%	-8.4%
DURABLE MANUFACTURING												
Idaho	46,560	47,030	47,492	47,483	47,658	47,942	47,871	48,275	48,368	46,832	45,905	44,774
% Ch	-2.9%	4.1%	4.0%	-0.1%	1.5%	2.4%	-0.6%	3.4%	0.8%	-12.1%	-7.7%	-9.5%
National (Thousands)	11,134	11,112	11,109	11,093	11,121	11,147	11,169	11,116	10,990	10,780	10,536	10,252
% Ch	-1.3%	-0.8%	-0.1%	-0.6%	1.0%	1.0%	0.8%	-1.9%	-4.5%	-7.4%	-8.8%	-10.3%
LUMBER & WOOD PRODUCTS												
Idaho	13,493	13,389	13,425	13,311	13,158	13,077	12,331	11,941	11,857	11,474	11,489	11,292
% Ch	-5.4%	-3.0%	1.1%	-3.4%	-4.5%	-2.4%	-21.0%	-12.1%	-2.8%	-12.3%	0.5%	-6.7%
National (Thousands)	829	832	836	840	842	838	831	816	801	798	795	784
% Ch	4.5%	1.5%	1.9%	1.9%	0.8%	-1.7%	-3.5%	-6.9%	-7.1%	-1.5%	-1.8%	-5.1%
STONE, CLAY, GLASS, etc.												
Idaho	4,485	4,539	4,550	4,544	4,521	4,453	4,487	4,476	4,521	4,515	4,504	4,415
% Ch	7.3%	4.9%	0.9%	-0.5%	-2.0%	-5.9%	3.2%	-1.0%	4.0%	-0.5%	-1.0%	-7.7%
National (Thousands)	2,081	2,081	2,092	2,097	2,109	2,119	2,122	2,113	2,095	2,064	2,038	2,001
% Ch	1.0%	0.0%	2.1%	1.0%	2.4%	1.8%	0.7%	-1.7%	-3.5%	-5.7%	-4.9%	-7.1%
ELEC & NONELEC MACH												
Idaho	22,623	23,082	23,418	23,477	23,770	24,128	24,957	25,817	26,069	25,011	24,036	23,145
% Ch	-5.2%	8.4%	6.0%	1.0%	5.1%	6.2%	14.5%	14.5%	4.0%	-15.3%	-14.7%	-14.0%
National (Thousands)	3,823	3,818	3,799	3,792	3,805	3,826	3,867	3,859	3,827	3,707	3,552	3,419
% Ch	-4.1%	-0.6%	-2.0%	-0.7%	1.3%	2.2%	4.4%	-0.9%	-3.2%	-12.0%	-15.7%	-14.2%
OTHER DURABLES												
Idaho	5,959	6,019	6,099	6,151	6,209	6,284	6,095	6,041	5,922	5,832	5,876	5,922
% Ch	4.8%	4.1%	5.4%	3.4%	3.9%	4.9%	-11.5%	-3.5%	-7.6%	-5.9%	3.0%	3.2%
National (Thousands)	4,400	4,380	4,382	4,363	4,365	4,365	4,349	4,327	4,266	4,211	4,151	4,048
% Ch	-0.9%	-1.8%	0.2%	-1.7%	0.1%	0.0%	-1.5%	-1.9%	-5.5%	-5.1%	-5.6%	-9.5%

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EMPLOYMENT

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	570,734	571,608	573,765	575,723	577,999	580,742	584,221	587,584	590,829	593,832	596,629	599,098
% Ch	1.1%	0.6%	1.5%	1.4%	1.6%	1.9%	2.4%	2.3%	2.2%	2.0%	1.9%	1.7%
National (Thousands)	131,271	131,465	131,792	132,314	132,786	133,377	134,049	134,779	135,626	136,378	136,978	137,530
% Ch	-0.7%	0.6%	1.0%	1.6%	1.4%	1.8%	2.0%	2.2%	2.5%	2.2%	1.8%	1.6%
GOODS PRODUCING SECTOR												
Idaho	111,468	110,691	110,543	110,716	110,900	111,438	112,231	112,878	113,326	113,825	114,305	114,787
% Ch	-3.2%	-2.8%	-0.5%	0.6%	0.7%	2.0%	2.9%	2.3%	1.6%	1.8%	1.7%	1.7%
National (Thousands)	24,245	24,121	23,935	23,941	24,002	24,166	24,315	24,487	24,672	24,804	24,925	25,013
% Ch	-5.5%	-2.0%	-3.0%	0.1%	1.0%	2.8%	2.5%	2.9%	3.1%	2.2%	2.0%	1.4%
MANUFACTURING												
Idaho	72,798	72,317	72,367	72,918	73,728	74,525	75,358	76,078	76,628	77,180	77,685	78,188
% Ch	-3.9%	-2.6%	0.3%	3.1%	4.5%	4.4%	4.5%	3.9%	2.9%	2.9%	2.6%	2.6%
National (Thousands)	16,905	16,827	16,672	16,640	16,679	16,806	16,935	17,066	17,170	17,237	17,320	17,369
% Ch	-6.1%	-1.8%	-3.6%	-0.8%	0.9%	3.1%	3.1%	3.1%	2.5%	1.6%	1.9%	1.1%
DURABLE MANUFACTURING												
Idaho	44,368	43,976	44,014	44,512	45,209	45,865	46,533	47,095	47,454	47,840	48,217	48,597
% Ch	-3.6%	-3.5%	0.4%	4.6%	6.4%	5.9%	6.0%	4.9%	3.1%	3.3%	3.2%	3.2%
National (Thousands)	10,056	9,978	9,860	9,834	9,839	9,887	9,944	10,007	10,052	10,079	10,121	10,158
% Ch	-7.4%	-3.1%	-4.6%	-1.0%	0.2%	1.9%	2.3%	2.6%	1.8%	1.1%	1.7%	1.5%
LUMBER & WOOD PRODUCTS												
Idaho	10,998	10,827	10,629	10,507	10,443	10,406	10,392	10,367	10,234	10,137	10,015	9,890
% Ch	-10.0%	-6.1%	-7.1%	-4.5%	-2.4%	-1.4%	-0.6%	-1.0%	-5.0%	-3.7%	-4.7%	-4.9%
National (Thousands)	785	790	795	803	815	834	854	875	893	905	915	923
% Ch	0.1%	2.6%	2.8%	3.8%	6.2%	9.7%	10.1%	10.2%	8.3%	5.6%	4.5%	3.5%
STONE, CLAY, GLASS, etc.												
Idaho	4,302	4,244	4,184	4,146	4,116	4,095	4,097	4,111	4,115	4,108	4,104	4,095
% Ch	-9.9%	-5.3%	-5.5%	-3.6%	-2.8%	-2.1%	0.2%	1.3%	0.5%	-0.7%	-0.4%	-0.9%
National (Thousands)	1,984	1,974	1,961	1,959	1,971	1,999	2,022	2,044	2,060	2,070	2,081	2,087
% Ch	-3.3%	-1.9%	-2.7%	-0.4%	2.4%	5.9%	4.7%	4.4%	3.2%	2.0%	2.2%	1.1%
ELEC & NONELEC MACH												
Idaho	23,313	23,296	23,544	24,069	24,679	25,270	25,878	26,416	26,884	27,354	27,829	28,312
% Ch	2.9%	-0.3%	4.3%	9.2%	10.5%	9.9%	10.0%	8.6%	7.3%	7.2%	7.1%	7.1%
National (Thousands)	3,304	3,272	3,190	3,151	3,093	3,039	3,010	2,991	2,976	2,962	2,961	2,976
% Ch	-12.8%	-3.8%	-9.6%	-4.8%	-7.3%	-6.8%	-3.8%	-2.4%	-2.0%	-1.9%	-0.1%	2.0%
OTHER DURABLES												
Idaho	5,754	5,608	5,656	5,791	5,971	6,094	6,166	6,202	6,220	6,241	6,270	6,300
% Ch	-10.9%	-9.8%	3.5%	9.9%	13.1%	8.5%	4.8%	2.3%	1.2%	1.4%	1.8%	2.0%
National (Thousands)	3,984	3,942	3,913	3,921	3,962	4,015	4,057	4,096	4,123	4,142	4,163	4,172
% Ch	-6.2%	-4.1%	-2.8%	0.8%	4.2%	5.5%	4.3%	3.9%	2.7%	1.8%	2.1%	0.8%

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EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	29,128	28,921	29,031	28,882	29,017	29,218	29,272	29,511	29,339	29,256	28,967	28,745
% Ch	3.2%	-2.8%	1.5%	-2.0%	1.9%	2.8%	0.7%	3.3%	-2.3%	-1.1%	-3.9%	-3.0%
National (Thousands)	7,503	7,450	7,416	7,403	7,383	7,363	7,317	7,262	7,199	7,102	7,021	6,922
% Ch	-1.9%	-2.8%	-1.8%	-0.7%	-1.1%	-1.1%	-2.5%	-3.0%	-3.5%	-5.3%	-4.5%	-5.5%
FOOD PROCESSING												
Idaho	17,467	17,251	17,284	17,170	17,151	17,271	17,297	17,297	17,347	17,445	17,408	17,096
% Ch	5.5%	-4.9%	0.8%	-2.6%	-0.4%	2.8%	0.6%	0.0%	1.2%	2.3%	-0.8%	-7.0%
National (Thousands)	1,684	1,680	1,676	1,693	1,691	1,689	1,680	1,680	1,686	1,685	1,679	1,688
% Ch	0.1%	-0.9%	-0.8%	4.0%	-0.5%	-0.4%	-2.3%	0.0%	1.4%	-0.1%	-1.6%	2.2%
CANNED, CURED, & FROZEN												
Idaho	10,108	9,923	10,006	9,792	9,749	9,809	9,833	9,683	9,469	9,485	9,570	9,443
% Ch	9.7%	-7.1%	3.4%	-8.3%	-1.7%	2.5%	1.0%	-6.0%	-8.6%	0.7%	3.6%	-5.2%
OTHER FOOD PROCESSING												
Idaho	7,360	7,328	7,278	7,378	7,402	7,462	7,464	7,614	7,878	7,960	7,838	7,653
% Ch	0.0%	-1.7%	-2.7%	5.6%	1.3%	3.3%	0.1%	8.3%	14.6%	4.2%	-6.0%	-9.1%
PAPER, PRINTING, PUBLISH.												
Idaho	7,368	7,384	7,405	7,413	7,534	7,656	7,646	7,711	7,561	7,400	7,312	7,353
% Ch	-5.3%	0.9%	1.1%	0.5%	6.7%	6.6%	-0.5%	3.4%	-7.5%	-8.2%	-4.7%	2.3%
National (Thousands)	2,230	2,220	2,218	2,211	2,209	2,208	2,205	2,195	2,175	2,141	2,111	2,080
% Ch	-0.6%	-1.8%	-0.4%	-1.3%	-0.4%	-0.2%	-0.5%	-1.9%	-3.5%	-6.0%	-5.5%	-5.7%
CHEMICALS												
Idaho	2,342	2,297	2,301	2,265	2,315	2,295	2,322	2,398	2,362	2,375	2,304	2,349
% Ch	0.4%	-7.5%	0.8%	-6.2%	9.1%	-3.3%	4.7%	13.9%	-6.0%	2.2%	-11.5%	8.2%
National (Thousands)	1,038	1,035	1,033	1,036	1,038	1,038	1,036	1,038	1,039	1,034	1,035	1,024
% Ch	-1.7%	-1.3%	-0.6%	1.0%	0.9%	0.0%	-0.6%	0.8%	0.3%	-1.9%	0.4%	-4.2%
OTHER NONDURABLES												
Idaho	1,951	1,988	2,041	2,034	2,016	1,996	2,008	2,106	2,070	2,037	1,943	1,947
% Ch	22.4%	8.0%	11.1%	-1.4%	-3.5%	-4.0%	2.5%	20.9%	-6.6%	-6.4%	-17.2%	0.9%
National (Thousands)	2,551	2,515	2,488	2,463	2,445	2,428	2,396	2,350	2,299	2,241	2,196	2,130
% Ch	-4.5%	-5.5%	-4.2%	-4.0%	-2.8%	-2.8%	-5.1%	-7.6%	-8.4%	-9.7%	-7.8%	-11.5%
MINING												
Idaho	2,739	2,544	2,530	2,516	2,485	2,457	2,417	2,339	2,244	2,131	1,938	1,774
%Ch	-9.7%	-25.5%	-2.2%	-2.2%	-4.8%	-4.4%	-6.3%	-12.4%	-15.2%	-18.7%	-31.6%	-29.8%
National (Thousands)	552	538	532	533	535	541	544	549	554	563	568	567
%Ch	-14.1%	-10.2%	-3.9%	0.8%	1.0%	5.1%	2.0%	3.7%	3.7%	6.7%	3.8%	-1.2%
METAL MINING												
Idaho	1,562	1,418	1,375	1,354	1,325	1,263	1,188	1,117	1,018	895	744	571
%Ch	-15.5%	-32.0%	-11.8%	-5.8%	-8.4%	-17.3%	-21.9%	-21.8%	-30.9%	-40.3%	-52.3%	-65.2%
OTHER MINING												
Idaho	1,177	1,126	1,155	1,162	1,160	1,194	1,230	1,222	1,226	1,236	1,194	1,203
% Ch	-1.3%	-16.2%	10.9%	2.2%	-0.5%	12.0%	12.6%	-2.5%	1.4%	3.2%	-12.8%	2.9%

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EMPLOYMENT

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	28,430	28,341	28,352	28,406	28,519	28,659	28,825	28,983	29,175	29,340	29,468	29,591
% Ch	-4.3%	-1.2%	0.2%	0.8%	1.6%	2.0%	2.3%	2.2%	2.7%	2.3%	1.8%	1.7%
National (Thousands)	6,849	6,850	6,812	6,806	6,840	6,919	6,992	7,059	7,118	7,158	7,199	7,211
% Ch	-4.1%	0.0%	-2.2%	-0.3%	2.0%	4.7%	4.3%	3.9%	3.3%	2.3%	2.3%	0.7%
FOOD PROCESSING												
Idaho	17,181	17,227	17,270	17,322	17,370	17,403	17,438	17,464	17,520	17,558	17,570	17,580
% Ch	2.0%	1.1%	1.0%	1.2%	1.1%	0.8%	0.8%	0.6%	1.3%	0.9%	0.3%	0.2%
National (Thousands)	1,693	1,702	1,695	1,689	1,694	1,708	1,724	1,736	1,748	1,762	1,774	1,772
% Ch	1.3%	2.2%	-1.7%	-1.3%	1.2%	3.3%	3.8%	2.9%	2.8%	3.0%	2.8%	-0.4%
CANNED, CURED, & FROZEN												
Idaho	9,480	9,516	9,552	9,587	9,621	9,656	9,690	9,723	9,755	9,787	9,821	9,855
% Ch	1.6%	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%	1.4%	1.4%
OTHER FOOD PROCESSING												
Idaho	7,701	7,711	7,718	7,735	7,748	7,747	7,748	7,741	7,765	7,771	7,749	7,725
% Ch	2.5%	0.5%	0.4%	0.9%	0.7%	-0.1%	0.1%	-0.4%	1.2%	0.3%	-1.1%	-1.2%
PAPER, PRINTING, PUBLISH.												
Idaho	7,231	7,136	7,086	7,070	7,117	7,209	7,323	7,439	7,554	7,662	7,760	7,853
% Ch	-6.5%	-5.1%	-2.8%	-0.9%	2.7%	5.3%	6.4%	6.5%	6.3%	5.9%	5.2%	4.9%
National (Thousands)	2,038	2,037	2,029	2,032	2,048	2,083	2,116	2,150	2,180	2,203	2,227	2,243
% Ch	-7.9%	-0.1%	-1.7%	0.5%	3.2%	7.0%	6.5%	6.6%	5.7%	4.3%	4.3%	3.0%
CHEMICALS												
Idaho	2,056	1,990	1,984	1,978	1,973	1,967	1,959	1,954	1,947	1,938	1,931	1,926
% Ch	-41.3%	-12.3%	-1.2%	-1.1%	-1.0%	-1.3%	-1.4%	-1.1%	-1.5%	-1.9%	-1.4%	-1.0%
National (Thousands)	1,018	1,010	999	991	989	993	999	1,004	1,006	1,007	1,008	1,007
% Ch	-2.5%	-2.9%	-4.5%	-3.3%	-0.8%	1.9%	2.3%	2.0%	0.9%	0.3%	0.6%	-0.5%
OTHER NONDURABLES												
Idaho	1,962	1,988	2,013	2,035	2,058	2,081	2,105	2,126	2,154	2,182	2,208	2,232
% Ch	3.1%	5.5%	5.0%	4.5%	4.7%	4.4%	4.7%	4.1%	5.5%	5.3%	4.8%	4.6%
National (Thousands)	2,100	2,100	2,089	2,095	2,109	2,135	2,153	2,169	2,183	2,187	2,190	2,189
% Ch	-5.4%	-0.1%	-2.0%	1.1%	2.8%	4.9%	3.4%	3.0%	2.6%	0.7%	0.6%	-0.2%
MINING												
Idaho	1,661	1,567	1,606	1,588	1,654	1,733	1,771	1,778	1,817	1,856	1,873	1,874
%Ch	-23.1%	-20.9%	10.4%	-4.4%	17.7%	20.6%	8.9%	1.5%	9.1%	9.0%	3.7%	0.2%
National (Thousands)	553	527	521	529	538	544	545	543	543	543	542	540
%Ch	-9.6%	-17.5%	-4.4%	6.2%	7.2%	4.7%	0.6%	-1.9%	0.2%	-0.1%	-0.7%	-1.0%
METAL MINING												
Idaho	574	534	603	577	621	684	713	718	750	780	794	795
%Ch	1.6%	-24.6%	61.8%	-15.8%	33.6%	47.1%	18.4%	3.1%	18.5%	17.3%	7.1%	0.4%
OTHER MINING												
Idaho	1,088	1,032	1,003	1,011	1,033	1,050	1,058	1,059	1,067	1,076	1,080	1,080
% Ch	-33.1%	-18.8%	-10.8%	3.0%	9.3%	6.5%	3.1%	0.5%	3.1%	3.4%	1.2%	0.1%

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EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	33,889	34,476	35,157	35,891	36,474	36,378	36,454	36,470	37,807	37,750	37,511	37,082
% Ch	13.5%	7.1%	8.1%	8.6%	6.6%	-1.0%	0.8%	0.2%	15.5%	-0.6%	-2.5%	-4.5%
National (Thousands)	6,286	6,381	6,448	6,539	6,665	6,659	6,702	6,777	6,878	6,866	6,866	6,850
% Ch	6.4%	6.2%	4.2%	5.8%	7.9%	-0.4%	2.6%	4.6%	6.1%	-0.7%	0.0%	-0.9%
SERVICE PRODUCING SECTOR												
Idaho	419,551	423,508	427,459	431,670	436,032	442,228	446,431	448,044	451,307	453,441	454,294	456,792
% Ch	3.3%	3.8%	3.8%	4.0%	4.1%	5.8%	3.9%	1.5%	2.9%	1.9%	0.8%	2.2%
National (Thousands)	102,300	103,022	103,713	104,539	105,280	106,143	106,195	106,560	106,938	107,173	107,367	106,912
% Ch	3.2%	2.9%	2.7%	3.2%	2.9%	3.3%	0.2%	1.4%	1.4%	0.9%	0.7%	-1.7%
FINANCE, INSUR, REAL ESTATE												
Idaho	23,700	23,658	23,454	23,463	23,611	23,537	23,422	23,446	23,652	24,027	24,403	24,584
% Ch	7.0%	-0.7%	-3.4%	0.2%	2.5%	-1.2%	-1.9%	0.4%	3.6%	6.5%	6.4%	3.0%
National (Thousands)	7,520	7,552	7,572	7,576	7,572	7,550	7,547	7,575	7,607	7,634	7,625	7,633
% Ch	2.2%	1.7%	1.0%	0.2%	-0.2%	-1.2%	-0.1%	1.5%	1.7%	1.4%	-0.5%	0.4%
TRANS, COMMUN, PUBLIC UTIL												
Idaho	26,402	26,762	26,911	27,512	27,739	27,976	28,189	27,873	28,308	28,241	27,954	27,639
% Ch	6.6%	5.6%	2.3%	9.2%	3.3%	3.5%	3.1%	-4.4%	6.4%	-0.9%	-4.0%	-4.4%
National (Thousands)	6,755	6,805	6,860	6,915	6,964	7,003	7,020	7,092	7,119	7,122	7,087	6,962
% Ch	3.6%	3.0%	3.2%	3.2%	2.9%	2.2%	1.0%	4.2%	1.5%	0.2%	-2.0%	-6.8%
TRADE												
Idaho	134,717	135,807	136,261	138,154	139,129	140,268	142,561	142,335	142,115	141,859	140,273	139,721
% Ch	3.4%	3.3%	1.3%	5.7%	2.9%	3.3%	6.7%	-0.6%	-0.6%	-0.7%	-4.4%	-1.6%
National (Thousands)	29,505	29,683	29,830	30,024	30,183	30,295	30,380	30,459	30,514	30,583	30,580	30,352
% Ch	2.9%	2.4%	2.0%	2.6%	2.1%	1.5%	1.1%	1.1%	0.7%	0.9%	0.0%	-2.9%
SERVICES												
Idaho	132,704	134,583	137,060	138,585	141,014	144,036	146,278	148,637	148,394	149,964	151,310	152,722
% Ch	4.2%	5.8%	7.6%	4.5%	7.2%	8.9%	6.4%	6.6%	-0.7%	4.3%	3.6%	3.8%
National (Thousands)	38,465	38,854	39,213	39,661	40,033	40,359	40,615	40,838	41,026	41,052	41,103	40,942
% Ch	4.2%	4.1%	3.7%	4.7%	3.8%	3.3%	2.6%	2.2%	1.9%	0.3%	0.5%	-1.6%
STATE & LOCAL GOVERNMENT												
Idaho	89,270	90,099	90,887	90,814	91,227	92,093	92,865	92,761	95,784	96,264	96,943	99,123
% Ch	0.5%	3.8%	3.5%	-0.3%	1.8%	3.8%	3.4%	-0.4%	13.7%	2.0%	2.8%	9.3%
National (Thousands)	17,351	17,457	17,586	17,717	17,803	17,861	17,935	17,977	18,060	18,166	18,348	18,407
% Ch	2.4%	2.5%	3.0%	3.0%	2.0%	1.3%	1.7%	0.9%	1.9%	2.4%	4.1%	1.3%
Idaho Education	48,631	49,349	49,855	49,695	50,136	50,523	50,945	50,768	51,145	51,327	51,519	52,721
% Ch	-0.6%	6.0%	4.2%	-1.3%	3.6%	3.1%	3.4%	-1.4%	3.0%	1.4%	1.5%	9.7%
Idaho Other	40,639	40,751	41,032	41,118	41,091	41,570	41,920	41,993	44,640	44,937	45,424	46,402
% Ch	1.7%	1.1%	2.8%	0.8%	-0.3%	4.7%	3.4%	0.7%	27.7%	2.7%	4.4%	8.9%
FEDERAL GOVERNMENT												
Idaho	12,759	12,600	12,887	13,142	13,313	14,318	13,115	12,992	13,054	13,086	13,412	13,002
% Ch	-1.6%	-4.9%	9.4%	8.2%	5.3%	33.8%	-29.6%	-3.7%	1.9%	1.0%	10.4%	-11.7%
National (Thousands)	2,704	2,670	2,652	2,646	2,725	3,076	2,699	2,618	2,614	2,616	2,625	2,615
% Ch	-1.1%	-5.0%	-2.6%	-0.9%	12.5%	62.2%	-40.7%	-11.4%	-0.7%	0.4%	1.4%	-1.5%

National Variables Forecast by DRI*WEFA
Forecast Begins the FOURTH Quarter of 2001

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

APRIL 2002

EMPLOYMENT

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	37,009	36,807	36,570	36,211	35,518	35,180	35,102	35,022	34,880	34,789	34,746	34,725
% Ch	-0.8%	-2.2%	-2.6%	-3.9%	-7.4%	-3.8%	-0.9%	-0.9%	-1.6%	-1.0%	-0.5%	-0.2%
National (Thousands)	6,788	6,767	6,742	6,772	6,784	6,816	6,834	6,878	6,960	7,024	7,064	7,104
% Ch	-3.6%	-1.2%	-1.4%	1.8%	0.7%	1.9%	1.1%	2.6%	4.8%	3.8%	2.3%	2.3%
SERVICE PRODUCING SECTOR												
Idaho	459,266	460,917	463,223	465,007	467,099	469,305	471,991	474,706	477,503	480,007	482,324	484,310
% Ch	2.2%	1.4%	2.0%	1.5%	1.8%	1.9%	2.3%	2.3%	2.4%	2.1%	1.9%	1.7%
National (Thousands)	107,026	107,345	107,857	108,373	108,784	109,211	109,735	110,292	110,953	111,574	112,052	112,517
% Ch	0.4%	1.2%	1.9%	1.9%	1.5%	1.6%	1.9%	2.0%	2.4%	2.3%	1.7%	1.7%
FINANCE, INSUR, REAL ESTATE												
Idaho	24,605	24,658	24,720	24,755	24,803	24,858	24,904	24,958	25,015	25,073	25,131	25,188
% Ch	0.3%	0.9%	1.0%	0.6%	0.8%	0.9%	0.7%	0.9%	0.9%	0.9%	0.9%	0.9%
National (Thousands)	7,635	7,672	7,709	7,714	7,741	7,764	7,820	7,861	7,908	7,963	8,014	8,061
% Ch	0.1%	2.0%	1.9%	0.3%	1.4%	1.2%	2.9%	2.1%	2.4%	2.8%	2.6%	2.3%
TRANS, COMMUN, PUBLIC UTIL												
Idaho	27,754	27,866	27,979	28,086	28,188	28,287	28,382	28,476	28,570	28,662	28,754	28,845
% Ch	1.7%	1.6%	1.6%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
National (Thousands)	6,904	6,969	7,039	7,101	7,144	7,182	7,243	7,322	7,406	7,479	7,544	7,608
% Ch	-3.3%	3.8%	4.1%	3.6%	2.4%	2.1%	3.5%	4.4%	4.7%	4.0%	3.6%	3.4%
TRADE												
Idaho	140,715	141,606	142,610	143,507	144,417	145,369	146,532	147,701	148,963	150,086	151,122	152,013
% Ch	2.9%	2.6%	2.9%	2.5%	2.6%	2.7%	3.2%	3.2%	3.5%	3.1%	2.8%	2.4%
National (Thousands)	30,488	30,381	30,326	30,395	30,392	30,437	30,472	30,599	30,753	30,907	30,978	31,059
% Ch	1.8%	-1.4%	-0.7%	0.9%	0.0%	0.6%	0.5%	1.7%	2.0%	2.0%	0.9%	1.1%
SERVICES												
Idaho	153,944	154,386	155,379	156,047	156,932	157,938	159,223	160,516	161,800	162,900	163,885	164,678
% Ch	3.2%	1.2%	2.6%	1.7%	2.3%	2.6%	3.3%	3.3%	3.2%	2.7%	2.4%	1.9%
National (Thousands)	40,956	41,192	41,579	41,925	42,240	42,541	42,892	43,201	43,575	43,905	44,175	44,425
% Ch	0.1%	2.3%	3.8%	3.4%	3.0%	2.9%	3.3%	2.9%	3.5%	3.1%	2.5%	2.3%
STATE & LOCAL GOVERNMENT												
Idaho	99,269	99,365	99,488	99,591	99,765	99,918	100,052	100,190	100,333	100,496	100,666	100,840
% Ch	0.6%	0.4%	0.5%	0.4%	0.7%	0.6%	0.5%	0.6%	0.6%	0.7%	0.7%	0.7%
National (Thousands)	18,420	18,494	18,557	18,584	18,604	18,622	18,639	18,639	18,639	18,647	18,666	18,687
% Ch	0.3%	1.6%	1.4%	0.6%	0.4%	0.4%	0.4%	0.0%	0.0%	0.2%	0.4%	0.5%
Idaho Education	52,842	52,948	53,083	53,186	53,336	53,445	53,545	53,650	53,760	53,889	54,025	54,166
% Ch	0.9%	0.8%	1.0%	0.8%	1.1%	0.8%	0.8%	0.8%	0.8%	1.0%	1.0%	1.0%
Idaho Other	46,427	46,418	46,405	46,405	46,429	46,473	46,507	46,540	46,574	46,607	46,640	46,674
% Ch	0.2%	-0.1%	-0.1%	0.0%	0.2%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
FEDERAL GOVERNMENT												
Idaho	12,981	13,037	13,047	13,020	12,994	12,935	12,897	12,864	12,822	12,789	12,767	12,747
% Ch	-0.7%	1.8%	0.3%	-0.8%	-0.8%	-1.8%	-1.2%	-1.0%	-1.3%	-1.0%	-0.7%	-0.6%
National (Thousands)	2,623	2,636	2,647	2,655	2,663	2,665	2,668	2,670	2,671	2,673	2,675	2,677
% Ch	1.1%	2.1%	1.6%	1.2%	1.2%	0.3%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%

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IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

APRIL 2002

MISCELLANEOUS

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,020.1	1,015.1	1,057.3	1,084.4	1,077.5	1,109.0	1,138.9	1,137.4	1,198.3	1,273.2	1,211.4	1,291.8
% Ch	11.1%	-1.9%	17.7%	10.6%	-2.5%	12.3%	11.2%	-0.5%	23.2%	27.4%	-18.0%	29.3%
National (Billions)	225.5	223.8	233.4	239.3	237.2	244.2	250.9	250.1	264.0	281.2	266.4	285.0
% Ch	11.2%	-3.0%	18.3%	10.5%	-3.5%	12.3%	11.4%	-1.3%	24.2%	28.7%	-19.4%	31.0%
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	104.1	104.4	104.8	105.3	106.2	106.8	107.3	107.8	108.7	109.2	109.8	109.8
% Ch	1.7%	1.4%	1.4%	1.8%	3.8%	2.1%	1.9%	1.8%	3.3%	2.1%	2.3%	-0.2%
Consumption Expenditures	103.9	104.4	105.0	105.6	106.7	107.2	107.8	108.4	109.2	109.6	109.5	109.7
% Ch	1.3%	2.0%	2.2%	2.4%	4.0%	2.1%	2.4%	2.0%	3.2%	1.3%	-0.2%	0.7%
Durable Goods	93.7	93.2	92.8	92.4	92.0	91.8	91.3	91.0	90.9	90.0	89.4	89.1
% Ch	-3.3%	-2.0%	-1.8%	-1.8%	-1.8%	-0.8%	-2.2%	-1.2%	-0.7%	-3.5%	-2.8%	-1.6%
Nondurable Goods	102.2	103.3	104.1	105.1	106.5	107.2	108.0	108.5	109.0	109.7	109.3	108.4
% Ch	1.9%	4.4%	3.3%	3.8%	5.5%	2.7%	2.7%	2.0%	1.9%	2.7%	-1.5%	-3.2%
Services	106.9	107.4	108.1	108.8	110.0	110.6	111.5	112.2	113.5	114.0	114.3	115.2
% Ch	2.0%	1.7%	2.5%	2.6%	4.5%	2.4%	3.2%	2.6%	4.7%	1.7%	0.9%	3.2%
Cons. Price Index (1982-84)	164.8	166.0	167.1	168.5	170.1	171.5	173.0	174.2	175.9	177.3	177.6	177.5
% Ch	1.6%	2.9%	2.8%	3.2%	3.9%	3.3%	3.5%	3.0%	3.9%	3.1%	0.8%	-0.3%
SELECTED INTEREST RATES												
Federal Funds	4.72%	4.75%	5.08%	5.32%	5.62%	6.26%	6.53%	6.51%	5.59%	4.38%	3.54%	2.16%
Prime	7.75%	7.75%	8.10%	8.37%	8.69%	9.25%	9.50%	9.50%	8.62%	7.34%	6.57%	5.16%
Existing Home Mortgage	6.95%	7.13%	7.58%	7.66%	8.02%	8.19%	8.10%	7.81%	7.21%	7.15%	7.06%	6.71%
U.S. Govt. 3-Month Bills	4.41%	4.45%	4.65%	5.04%	5.52%	5.71%	6.02%	6.02%	4.82%	3.66%	3.17%	1.91%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	110.1	110.9	110.2	110.9	111.5	108.8	106.7	103.4	99.8	102.5	104.6	102.7
% Ch	4.5%	2.9%	-2.4%	2.4%	2.2%	-9.2%	-7.7%	-11.9%	-13.0%	11.3%	8.4%	-7.3%
Office & Computer Equip.	236.5	250.8	266.5	280.2	306.8	334.0	360.6	373.6	369.9	353.8	340.0	343.0
% Ch	58.7%	26.5%	27.6%	22.1%	43.9%	40.4%	35.9%	15.2%	-3.9%	-16.3%	-14.7%	3.6%
Electrical Machinery	183.7	193.2	204.8	215.7	236.6	258.9	270.2	274.7	263.8	246.8	235.3	234.5
% Ch	23.2%	22.2%	26.4%	23.0%	44.8%	43.3%	18.7%	6.8%	-15.0%	-23.3%	-17.5%	-1.3%
Electronic Components	285.0	311.0	341.8	370.7	432.1	500.0	532.3	545.9	523.7	480.1	450.4	464.1
% Ch	37.7%	41.9%	45.8%	38.3%	84.7%	79.2%	28.5%	10.7%	-15.3%	-29.4%	-22.6%	12.7%
Food	106.0	106.3	105.8	107.0	107.5	108.0	108.4	108.0	107.6	107.0	106.9	107.2
% Ch	0.4%	1.1%	-1.7%	4.5%	1.9%	1.9%	1.7%	-1.5%	-1.5%	-2.1%	-0.6%	1.3%
Paper	107.8	106.4	107.5	108.7	108.1	108.2	104.9	105.4	102.3	101.9	101.5	99.1
% Ch	5.9%	-5.0%	4.3%	4.5%	-2.0%	0.1%	-11.4%	1.9%	-11.5%	-1.4%	-1.4%	-9.4%
Agricultural Chemicals	103.8	102.8	102.3	100.5	97.9	95.9	93.2	95.2	91.3	87.0	90.3	94.0
% Ch	-7.5%	-3.5%	-2.0%	-7.0%	-10.0%	-8.0%	-10.8%	8.8%	-15.2%	-17.6%	15.8%	17.8%
Metals & Minerals Mining	107.1	105.1	103.2	106.0	108.2	106.4	105.7	103.9	105.5	106.4	103.8	100.0
% Ch	-0.2%	-7.5%	-7.0%	11.3%	8.6%	-6.6%	-2.6%	-6.6%	6.4%	3.4%	-9.2%	-13.8%

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APRIL 2002

MISCELLANEOUS

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,378.7	1,415.1	1,433.1	1,448.6	1,464.6	1,480.4	1,496.3	1,511.8	1,527.4	1,548.7	1,570.3	1,593.2
% Ch	29.7%	11.0%	5.2%	4.4%	4.5%	4.4%	4.4%	4.2%	4.2%	5.7%	5.7%	6.0%
National (Billions)	305.2	313.7	317.6	321.1	324.6	328.1	331.7	335.2	338.7	343.6	348.5	353.7
% Ch	31.5%	11.6%	5.2%	4.4%	4.5%	4.3%	4.5%	4.3%	4.3%	5.8%	5.9%	6.1%
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	110.3	110.8	111.2	111.8	112.6	113.1	113.8	114.4	115.1	115.7	116.4	117.1
% Ch	1.9%	2.0%	1.3%	2.1%	2.8%	2.1%	2.3%	2.1%	2.4%	2.3%	2.5%	2.3%
Consumption Expenditures	110.1	110.6	111.1	111.8	112.5	113.1	113.8	114.5	115.2	115.9	116.7	117.4
% Ch	1.3%	1.9%	1.7%	2.7%	2.7%	2.2%	2.5%	2.4%	2.4%	2.5%	2.6%	2.5%
Durable Goods	88.6	88.3	88.1	88.4	88.7	88.8	88.8	88.9	88.9	89.0	89.1	89.1
% Ch	-1.9%	-1.3%	-1.3%	1.7%	1.5%	0.4%	-0.2%	0.4%	0.2%	0.3%	0.3%	0.4%
Nondurable Goods	108.2	108.5	108.8	109.3	109.9	110.3	110.9	111.4	111.9	112.6	113.3	113.9
% Ch	-0.9%	1.3%	1.0%	1.8%	2.3%	1.3%	2.4%	1.7%	2.0%	2.3%	2.7%	2.0%
Services	116.0	116.9	117.6	118.6	119.5	120.4	121.3	122.2	123.1	124.1	125.0	126.0
% Ch	3.1%	2.9%	2.7%	3.3%	3.1%	3.0%	3.1%	3.1%	3.0%	3.0%	3.1%	3.1%
Cons. Price Index (1982-84)	178.6	179.7	180.7	182.0	183.2	184.3	185.5	186.6	187.8	189.1	190.4	191.7
% Ch	2.6%	2.4%	2.2%	2.9%	2.8%	2.3%	2.6%	2.5%	2.6%	2.7%	2.9%	2.7%
SELECTED INTEREST RATES												
Federal Funds	1.75%	1.75%	2.13%	2.56%	3.00%	3.75%	4.50%	4.75%	5.00%	5.00%	5.00%	5.00%
Prime	4.75%	4.75%	5.13%	5.56%	6.00%	6.75%	7.50%	7.75%	8.00%	8.00%	8.00%	8.00%
Existing Home Mortgage	7.46%	7.09%	7.21%	7.33%	7.37%	7.42%	7.57%	7.59%	7.65%	7.60%	7.54%	7.46%
U.S. Govt. 3-Month Bills	1.76%	1.66%	1.95%	2.34%	2.74%	3.41%	4.11%	4.38%	4.63%	4.66%	4.65%	4.65%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	102.8	103.0	103.3	103.8	104.4	105.2	106.0	106.9	107.7	108.1	108.5	108.9
% Ch	0.6%	0.6%	1.1%	1.9%	2.5%	2.9%	3.3%	3.3%	2.9%	1.4%	1.5%	1.5%
Office & Computer Equip.	354.5	373.3	397.0	423.9	455.7	488.5	521.6	553.7	585.5	615.7	643.7	672.9
% Ch	14.0%	23.0%	27.9%	30.0%	33.6%	32.0%	30.0%	27.0%	25.0%	22.3%	19.5%	19.4%
Electrical Machinery	237.3	245.4	256.5	270.3	287.8	306.1	325.2	341.4	354.8	368.1	381.4	395.0
% Ch	5.0%	14.2%	19.4%	23.3%	28.5%	28.1%	27.4%	21.4%	16.7%	15.8%	15.3%	15.0%
Electronic Components	481.3	508.2	542.3	579.4	626.0	674.8	725.4	768.7	804.8	840.8	877.1	914.4
% Ch	15.7%	24.2%	29.6%	30.3%	36.2%	35.1%	33.6%	26.1%	20.1%	19.1%	18.4%	18.1%
Food	108.0	108.4	108.8	109.2	109.7	110.0	110.3	110.6	111.1	111.5	111.6	111.7
% Ch	2.8%	1.5%	1.4%	1.7%	1.6%	1.1%	1.2%	0.9%	1.9%	1.4%	0.4%	0.4%
Paper	97.8	97.9	98.8	99.7	100.8	102.1	102.9	103.8	104.7	105.5	106.2	106.9
% Ch	-5.2%	0.4%	3.7%	3.7%	4.6%	5.1%	3.5%	3.5%	3.5%	3.1%	2.7%	2.5%
Agricultural Chemicals	94.2	94.5	94.8	95.1	95.2	95.4	95.7	95.7	95.7	96.0	96.3	96.6
% Ch	0.8%	1.1%	1.3%	1.2%	0.4%	0.9%	1.2%	0.1%	0.1%	1.3%	1.3%	1.4%
Metals & Minerals Mining	99.1	99.6	100.2	101.0	102.0	102.9	103.6	104.5	105.4	106.4	107.3	108.3
% Ch	-3.8%	2.0%	2.5%	3.4%	4.0%	3.5%	2.8%	3.3%	3.8%	3.7%	3.5%	3.5%

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APPENDIX

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THE DRI*WEFA U.S. MACROECONOMIC MODEL

DRI*WEFA Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The DRI*WEFA model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

DRI*WEFA divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The DRI*WEFA model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the DRI*WEFA U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

$$\begin{aligned} \text{personal income} = & \text{wage and salary payments} + \text{other labor} \\ & \text{income} + \text{farm proprietors' income} + \text{nonfarm proprietors' income} \\ & + \text{property income} + \text{transfer payments} - \text{contributions} \\ & \text{for social insurance} + \text{residence adjustment.} \end{aligned}$$

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 18 Standard Industrial Classification (SIC) employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from DRI*WEFA's U.S. Macroeconomic Model.

Since the output of the IEM depends in large part upon the output of the DRI*WEFA model, an understanding of the DRI*WEFA model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the DRI*WEFA model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL

ID0AHEMF	$ID0AHEMF = 3.132 + 7.748 * (ID0NEWMFD \setminus 1 / ID0NEWMF \setminus 1 * JRWSSNF) + 9.057 * (ID0NEWMFN \setminus 1 / ID0NEWMF \setminus 1 * JRWSSNF)$
ID0AVGWS	$ID0AVGWS = ((ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / ID0NEW) * 1000$
ID0CRCROP	$ID0CRCROP = -1.344 + 0.011 * CRCROP + 1.892 * WPI01$
ID0CRLVSTK	$ID0CRLVSTK = -1.059 + 0.024 * CRCATCVS + 1.548 * WPI01$
ID0EXFP	$ID0EXFP = -0.866 + 3.447 * WPI01$
ID0GIA\$	$ID0GIA\$ = 99.243 + 914.242 * (VAIDGF_SL * ID0NPT / N)$
ID0HSPR	$ID0HSPR = ID0HSPRS1_A + ID0HSPRS2A_A$
ID0HSPRS1_A	$ID0HSPRS1_A = -12.540 - 0.314 * (RMMTGENS - MOVAV(RMMTGENS \setminus 1, 4)) + 99.211 * (MOVAV(ID0NPT \setminus 1, 4) - MOVAV(ID0NPT \setminus 5, 4)) + 0.048 * ID0KHU \setminus 1$
ID0HSPRS2A_A	$ID0HSPRS2A_A = 7.340 + 44.389 * (MOVAV(ID0NPT \setminus 1, 4) - MOVAV(ID0NPT \setminus 5, 4)) - 0.270 * (MOVAV(RMMTGENS, 4)) - 0.024 * TIME$
ID0IPMFDNEC	$ID0IPMFDNEC = 13.0 * JQIND25 * 100 / 81.2 + 52.5 * JQIND37 * 100 / 81.2 + 15.7 * JQIND39 * 100 / 81.2$
ID0IP26_27	$ID0IP26_27 = 252.3 * JQIND26 * 100 / 498.1 + 245.8 * JQIND27 * 100 / 498.1$
ID0IP32_34	$ID0IP32_34 = 58.8 * JQIND32 * 100 / 206.9 + 148.1 * JQIND34 * 100 / 206.9$
ID0KHU	$ID0KHU = ID0KHU1 + ID0KHU2A$
ID0KHU1	$ID0KHU1 = ((1 - 0.003) ** .25) * ID0KHU1 \setminus 1 + ID0HSPRS1_A / 4$
ID0KHU2A	$ID0KHU2A = ((1 - 0.003) ** .25) * ID0KHU2A \setminus 1 + ID0HSPRS2A_A / 4$
ID0NB	$ID0NB = 3.345 + 38.249 * ID0NPT - 0.151 * TIME$
ID0ND	$ID0ND = -0.181 + 6.004 * ID0NPT + 0.009 * TIME$
ID0NEW	$ID0NEW = ID0NEWMF + ID0NEWNM$
ID0NEWCC	$ID0NEWCC = -15.311 + 0.154 * TIME + 0.043 * ID0HSPRS1_A + 0.117 * ID0HSPRS1_A \setminus 1 + 0.192 * ID0HSPRS1_A \setminus 2 + 0.266 * ID0HSPRS1_A \setminus 3 + 0.341 * ID0HSPRS1_A \setminus 4 + 0.416 * ID0HSPRS1_A \setminus 5 + 0.490 * ID0HSPRS1_A \setminus 6$
ID0NEWFIR	$ID0NEWFIR = -2.486 + 0.151 * (MOVAV(ID0HSPR, 2)) + 25.697 * ID0NPT - 4.440 * DUM861ON - 3.510 * DUM981ON$
ID0NEWGOOD	$ID0NEWGOOD = ID0NEWMF + ID0NEWMG + ID0NEWCC$

ID0NEWGV	$ID0NEWGV = ID0NEWGVF + ID0NEWGVSL$
ID0NEWGVF	$ID0NEWGVF = 1.710 + 678.399 * (EGF * (ID0NPT / N)) + 3.716 * (EGF * (GFO96C / GF96C)) - 0.002 * TIME$
ID0NEWGVSL	$ID0NEWGVSL = ID0NEWGVSLED + ID0NEWGVSL_ED$
ID0NEWGVSL_ED	$ID0NEWGVSL_ED = -15.640 + 23.150 * ID0NPT + 0.131 * TIME$
ID0NEWGVSLED	$ID0NEWGVSLED = -13.620 + 74.832 * (ID0NPT * ((N - N16A) / N)) + 0.494 * (MOVAV(ID0YPTXB \ 4, 4)) + 0.148 * TIME$
ID0NEWMF	$ID0NEWMF = ID0NEWMFD + ID0NEWMFN$
ID0NEWMFD	$ID0NEWMFD = ID0NEW24 + ID0NEW32_34 + ID0NEW35_36 + ID0NEWMFDNEC$
ID0NEWMFDNEC	$ID0NEWMFDNEC = -3.826 + 0.081 * ID0IPMFDNEC$
ID0NEWMFN	$ID0NEWMFN = ID0NEW20 + ID0NEW26_27 + ID0NEW28 + ID0NEWMFNNEC$
ID0NEWMFNNEC	$ID0NEWMFNNEC = 0.821 + 0.002 * (CNCS96C + CNOTH96C) - 0.100 * DUM87ON$
ID0NEWMG	$ID0NEWMG = ID0NEWMG_10 + ID0NEW10$
ID0NEWMG_10	$ID0NEWMG_10 = 3.051 + 0.401 * (MOVAV(JQIND287, 2)) + 0.053 * ID0HSPR + 0.012 * (JQIND333_9 * TIME) - 0.594 * (JQIND33 / EMI) - 0.894 * (JRWSSNF / WPI10) - 0.017 * TIME$
ID0NEWNGOOD	$ID0NEWNGOOD = ID0NEWNM - ID0NEWMG - ID0NEWCC$
ID0NEWNM	$ID0NEWNM = ID0NEWCC + ID0NEWFIR + ID0NEWGV + ID0NEWSV + ID0NEWTCU + ID0NEWWR + ID0NEWMG$
ID0NEWSV	$ID0NEWSV = -36.555 + 6.394 * (MOVAV(YPADJ_ID, 3) / MOVAV(PCWC, 3))$
ID0NEWTCU	$ID0NEWTCU = -12.622 + 0.095 * ID0KHU \ 1$
ID0NEWWR	$ID0NEWWR = 7.445 + 4.834 * (MOVAV(YPADJ_ID, 3) / MOVAV(PCWC, 3))$
ID0NEW10	$ID0NEW10 = 2.662 + 6.137 * JQIND333_9 - 1.699 * (JQIND33 / EMI) - 4.939 * (JRWSSNF / WPI10)$
ID0NEW20	$ID0NEW20 = ID0NEW20_203 + ID0NEW203$
ID0NEW20_203	$ID0NEW20_203 = -4.421 + 11.085 * JQIND20$
ID0NEW203	$ID0NEW203 = 8.938 + 17.793 * JQIND201_7A9 - 0.080 * (JQIND201_7A9 * TIME)$
ID0NEW24	$ID0NEW24 = 21.216 + 8.226 * (MOVAV(JQIND24, 2)) - 13.259 * (JRWSSNF / WPI08) - 0.213 * DUM821ON - 0.033 * TIME$
ID0NEW26_27	$ID0NEW26_27 = -1.184 + 0.084 * (MOVAV(ID0IP26_27 \ 1, 4))$

ID0NEW28	$ID0NEW28 = -0.360 + 1.516 * (MOVAV(JQIND28 \setminus 1, 2)) + 0.928 * DUM841ON - 1.930 * DUM951ON + 0.011 * TIME$
ID0NEW32_34	$ID0NEW32_34 = -1.289 + 0.023 * (MOVAV(ID0IP32_34, 2)) - 1.651 * (JQIND34/E34) + 0.0589 * (ID0NEW20 \setminus 1 + ID0NEW24 \setminus 1 + ID0NEWMG \setminus 1 + ID0NEWCC \setminus 1 + ID0NEW26_27 \setminus 1)$
ID0NEW35	$ID0NEW35 = -7.051 - 0.109 * JQIND357 - 1.471 * DUM861884 + 0.085 * TIME$
ID0NEW35_36	$ID0NEW35_36 = ID0NEW35 + ID0NEW36$
ID0NEW36	$ID0NEW36 = -13.287 + 0.970 * JQIND367 - 0.649 * DUM801884 + 0.109 * TIME$
ID0NMG	$ID0NMG = 4 * (ID0NPT - ID0NPT \setminus 1) - (ID0NB - ID0ND) / 1000$
ID0NPT	$ID0NPT = -0.080 + 1.010 * ID0NPT \setminus 1 + 0.073 * ((ID0NEW \setminus 1 / ID0NEW \setminus 5) / (EEA \setminus 1 / EEA \setminus 5))$
ID0WBB\$	$ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$$
ID0WBBCC\$	$ID0WBBCC\$ = (ID0WRWCC\$ * ID0NEWCC) / 1000000$
ID0WBBF\$	$ID0WBBF\$ = -0.507 + 0.608 * WPI02$
ID0WBBMF\$	$ID0WBBMF\$ = (ID0WRWMF\$ * ID0NEWMF) / 1000000$
ID0WBBMIL\$	$ID0WBBMIL\$ = 0.020 + 0.260 * ((ID0NPT/N) * GFMLWSS_FAC)$
ID0WBBOTH\$	$ID0WBBOTH\$ = ID0WRWOTH\$ * (ID0NEW - ID0NEWCC - ID0NEWMF) / 1000000$
ID0WRWCC\$	$ID0WRWCC\$ = 7836.961 + 1615.710 * ID0AHEMF$
ID0WRWMF\$	$ID0WRWMF\$ = -15264.890 + 3879.600 * ID0AHEMF$
ID0WRWOTH\$	$ID0WRWOTH\$ = -5050.855 + 2204.515 * ID0AHEMF$
ID0YDIR\$	$ID0YDIR\$ = 0.039 + 1.001 * ((YINTPER + DIV + YRENTADJ) * MOVAV(ID0YPS \setminus 1, 4) / MOVAV(YP \setminus 1, 4))$
ID0YFC\$	$ID0YFC\$ = -0.131 + 0.796 * ID0YFC\$ \setminus 1 + 0.136 * WPI01$
ID0YINV_R\$	$ID0YINV_R\$ = -0.098 + 0.778 * ID0YINV_R\$ \setminus 1 + 0.144 * WPI01$
ID0YP	$ID0YP = ID0YP\$ / PCWC$
ID0YP\$	$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS$
ID0YPNF	$ID0YPNF = ID0YPNF\$ / PCWC$
ID0YPNF\$	$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$

ID0YPNFPC	$ID0YPNFPC = ID0YPNF\$ / PCWC / ID0NPT$
ID0YPRF\$	$ID0YPRF\$ = 0.317 + 342.301 * ((ID0CRCROP + ID0CRLVSTK + ID0YTRF\$ + ID0YINV_R\$ - ID0YFC\$ - ID0EXFP) / 1000)$
ID0YPRNF\$	$ID0YPRNF\$ = 0.047 + 0.004 * YENTNFADJ$
ID0YPTXB	$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV_R\$ / 1000)) / PCWC$
ID0YRAS	$ID0YRAS = -0.080 + 0.029 * ID0WBB\$$
ID0YSIS\$	$ID0YSIS\$ = 0.016 + 1.031 * (TWPER * ID0WBB\$ / WSD)$
ID0YSUP\$	$ID0YSUP\$ = -0.083 + 1.083 * (YOL * (ID0WBB\$ / WSD))$
ID0YTR\$	$ID0YTR\$ = 0.102 + 0.786 * ((VGF_PER + VGSL_PER) * (ID0NPT / N))$
ID0YTRF\$	$ID0YTRF\$ = 0.027 + 0.011 * TRF\$$
YPADJ_ID	$YPADJ_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$, 4) + MOVAV(ID0WBBF\$, 4)$

ENDOGENOUS VARIABLES

ID0AHEMF	Average hourly earnings in manufacturing
ID0AVGW\$	Average annual wage
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0GIA\$	Federal grants-in-aid to Idaho governments
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0IP26_27	Industrial production index, paper, printing, and publishing, 1996=1.0
ID0IP32_34	Industrial production index, stone, clay, glass, and concrete products and fabricated metals, 1996=1.0
ID0IPMFDNEC	Industrial production index, other durable manufacturing, 1996=1.0
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NEW	Employment on nonagricultural payrolls, total
ID0NEW10	Employment in metal mining
ID0NEW20	Employment in food processing
ID0NEW20_203	Employment in food processing, except canned, cured, and frozen
ID0NEW203	Employment in food processing, canned, cured, and frozen
ID0NEW24	Employment in lumber and wood products
ID0NEW26_27	Employment in paper, printing, and publishing
ID0NEW28	Employment in chemicals and allied products
ID0NEW32_34	Employment in stone, clay, glass, and concrete products and fabricated metals
ID0NEW35	Employment in nonelectrical machinery
ID0NEW35_36	Employment in machinery
ID0NEW36	Employment in electrical machinery
ID0NEWCC	Employment in construction
ID0NEWFIR	Employment in finance, insurance, and real estate
ID0NEWGOOD	Employment in goods-producing sectors
ID0NEWGV	Employment in government
ID0NEWGVF	Employment in federal government
ID0NEWGVSL	Employment in state and local government
ID0NEWGVSL_ED	Employment in state and local government, except education
ID0NEWGVSLED	Employment in state and local government, education
ID0NEWMF	Employment in manufacturing
ID0NEWMFD	Employment in durable manufacturing
ID0NEWMFDNEC	Employment in other durable manufacturing
ID0NEWMFN	Employment in nondurable manufacturing
ID0NEWMFNNEC	Employment in other nondurable manufacturing
ID0NEWMG	Employment in mining
ID0NEWMG_10	Employment in mining, except metal mining

ID0NEWNGOOD	Employment in service-producing sectors
ID0NEWNM	Employment in nonmanufacturing
ID0NEWSV	Employment in services
ID0NEWTCU	Employment in communications, transportation, and public utilities
ID0NEWWR	Employment in trade
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_RS	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1996 dollars
ID0YP\$	Total personal income
ID0YPNF	Nonfarm personal income, 1996 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1996 dollars
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1996 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
YPADJ_ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCS96C	Personal consumption expenditures, clothing and shoes, 1996 dollars, chain weighted
CNFOOD96C	Personal consumption expenditures, food, 1996 dollars, chain weighted
CNOTH96C	Personal consumption expenditures, other nondurable goods, 1996 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM801884	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or non-economic event such as SIC code changes, strikes, plant opening, or closures, unusual weather conditions, etc.
DUM821ON	
DUM841ON	
DUM861ON	
DUM861884	
DUM871ON	
DUM951ON	
DUM981ON	
TIME	
E20	Employment in food processing
E24	Employment in lumber and wood products
E26	Employment in paper and paper products
E27	Employment in printing and publishing
E28	Employment in chemicals
E32	Employment in stone, clay, and glass
E34	Employment in fabricated metals
E35	Employment in nonelectrical machinery
E36	Employment in electrical machinery
EEA	Total nonagricultural employment
EGF	Employment in federal government
EMD	Employment in durable manufacturing
EMI	Employment in mining
EMN	Employment in nondurable manufacturing
GFMLWSS_FAC	Federal government defense personnel outlays
GF96C	Federal government purchases, 1996 dollars, chain weighted
GFO96C	Federal government purchases, non-defense, 1996 dollars, chain weighted
JQIND20	Industrial production index, food products, 1996=1.0
JQIND201_7A9	Industrial production index, food except beverages, 1996=1.0
JQIND24	Industrial production index, wood and lumber products, 1996=1.0
JQIND25	Industrial production index, furniture and fixtures, 1996=1.0
JQIND26	Industrial production index, paper and paper products, 1996=1.0
JQIND27	Industrial production index, printing and publishing, 1996=1.0
JQIND287	Industrial production index, agricultural chemicals, 1996=1.0
JQIND32	Industrial production index, stone, clay, and glass products, 1996=1.0

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